RESOLVED: That the delegates in this convention assembled, most earnestly disapprove and condemn any such program on the part of the Oregon State State Medical Society and/or its members, as aforestated, and be it further

RESOLVED: That this resolution be spread on the minutes of this Convention and that the Secretary be instructed to send a copy to each Local represented in this Convention, with the request that it be read at a stated meeting of the respective locals, and that the Secretary likewise be instructed to send a copy of this resolution to the Secretary of the State Medical Society and to the Secretary of the several County Medical Societies of the State of Oregon, and likewise to the various employers' associations of this State.

Submitted by: Columbia River District Council.
Action: To concur.

• • • • •

Plaintiff's Exhibit 1808

HOSPITAL SECURITY

World-Wide

NATIONAL

HOSPITAL ASSOCIATION

Established 1906

EXECUTIVE OFFICES · PORTLAND, ORE., · U.S.A.

Ex. 1808

SAMPLE

ISSUED FROM NOV 1-1939 to
JUNE 30-1941 INCLUSIVE

NATIONAL
HOSPITAL ASSOCIATION
732 S. W. 3RD AVE. PORTLAND 4, OREGON

PERSONAL CONTRACT

STANDARD

3428

8280

PROTECTS YOUR HEALTH, YOUR HOME AND YOUR INCOME

HOSPITAL SECURITY

[FOREWORD: This Contract provides Hospital Care and Special Nursing for the Member of the class and to the extent herein defined for both sickness and injury wherever the Member may be]

PERSONAL CONTRACT - STANDARD

CONTRACT NO.

NATIONAL HOSPITAL ASSOCIATION

INCORPORATED UNDER THE LAWS OF OREGON

EXECUTIVE OFFICES - PORTLAND, OREGON - U. S. A.

Established 1906

SAMPLE

HEREIN CALLED THE ASSOCIATION, promises and agrees with _____, residing at _____, Street or Rural Address _____ City _____ State, herein called the Member, to bear the expense of Hospital Care and Special Nursing for the Member of the class and to the extent herein stated that are made necessary by sickness or injury as hereinafter defined, subject to the Member's application herefor and to the provisions and conditions herein contained.

The Causes for which the Member is entitled to benefits and the Benefits to which the Member is entitled are more particularly defined herein under the caption, "Coverage, Benefits, Provisions and Conditions Enumerated and Defined."

Member to Select Hospital: The Member shall have the right to select any general hospital that is a member of the American Hospital Association or any other general hospital in the United States that meets the requirements of the American Hospital Association, or any general hospital in Canada or any other foreign country that maintains a recognized standard of laboratory and nursing efficiency.

The Selection and Employment of a Physician or Surgeon shall be wholly within the discretion of the Member and the Association shall at no time exercise any right or assume any responsibility for the employment of a physician or surgeon for the Member; provided that the Association may, in its discretion and at its expense, engage a specialist or any other physician or surgeon to act in consultation with the physician or surgeon engaged by the Member, if in its judgment the Member would be benefitted thereby.

COVERAGE, BENEFITS, PROVISIONS AND CONDITIONS ENUMERATED AND DEFINED

Sec. I. COVERAGE: This contract shall cover and the Association shall bear the expense of Hospital Care and Special Nursing for the Member of the class and to the extent specified herein for the following causes, excluding all others:

(1) Personal Injuries occurring after this contract has been in effect for a period of seven days.

(2) Acute Sicknesses having their origin after this contract has been in effect for a period of fifteen days.

(3) Chronic Sicknesses that become active after this contract has been in continuous effect for a period of six months, but not including chronic sicknesses that become active within the six months next following the date of this contract or that have been active within

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the six months next preceding the date of this contract; provided that the benefits shall not apply to Operations for Chronic Conditions or Operations on Antrums or Sinuses or for Goitre or Hernia until after this contract has been in continuous effect for a period of one year, or if the particular condition has been active during the first contract year. Operations for Removal of Tonsils are included if the Member is over the age of sixteen years and removal of the tonsils is found necessary as treatment for a systemic illness caused by disease of the tonsils; provided that this contract has been in continuous effect for a period of one year.

(4) Conditions Peculiar to the Member's Sex having their origin after this contract has been in continuous effect for a period of one year.

(5) Tuberculosis and Mental Disorders (Not including Insanity) that become active after this contract has been in continuous effect for a period of two years, but not if the Member has had an active Tuberculosis or an active Mental Disorder within the five-year period next preceding the date of this contract or within the first two years this contract is in effect, or if the Member is eligible or would be eligible to care in a governmental hospital if this contract had not been made.

Complications Considered as Part of Original Cause: Any complication or any condition arising as a result of a sickness or injury for which the Member is receiving benefits hereunder shall be considered as a part of the original sickness or injury and not as a separate and distinct cause.

Conditions Not Covered: This contract does not cover Insanity, Drug Addiction, Alcoholism, Congenital Conditions, Corrections of Deformities, Hernias existing at the time of application herefor or Diseases not accepted in general hospitals; Occupational Injuries and Diseases coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts or Diseases and Injuries received in commission of a felony or while engaged in any war, riot or insurrection. (See provision relating to coverage for Occupational Injuries or Diseases.)

SEC. II. BENEFITS: The benefits to which the Member is entitled are hereinafter enumerated and defined, excluding all others:

(1) Ambulance when ambulance facilities are necessary to transport the Member to the hospital, but not beyond a community in which hospital facilities are available.

(2) Hospital Care, herein intended, means care in a Semi-Private Room of two or three beds, and includes (a) General Nursing, (b) Board, (c) Use of Surgery and Surgical Facilities, (d) Anesthetic and Anesthetist, (e) Ordinary Medicines and Dressings, (f) Antitoxins and Biological Serums, (g) Laboratory Tests, (h) X-ray Examinations, (i) Radium and Oxygen Therapy, (j) Blood Transfusions, (k) Pathological Examinations, (l) Basal Metabolism Tests, (m) Electrocardiograms, (n) Encephalograms, (o) Pyelograms, (p) Physical Therapy, and (q) other care and facilities recognized as general hospital facilities with which the selected hospital is equipped. Hospital Care includes care in Private Sanitarium in case of a Mental Disorder or Tuberculosis of the lungs.

The Member shall be entitled to Hospital Care only where and during such time as he is necessarily a bed patient and his attending physician or surgeon directs that the Member be placed in the hospital in order to receive necessary and proper care. Hospital Care, as used herein, at no time means confining the Member to the hospital for rest cure or for diagnostic purposes, or for any purposes other than for necessary care in the treatment of a sickness or injury for which he is entitled to benefits hereunder, and the benefits of this contract shall at no time include services or treatments by physicians or surgeons or technicians, except the services of such physicians and technicians as are regularly engaged and paid by the selected hospital in the performance of those certain classes of examinations and therapy enumerated in Subdivision 2, Section II hereof, and for which the services of physicians and/or technicians are required.

Emergency Hospital Care: While it is the intention of this contract that the benefits to which the Member is entitled shall be obtained in Standardized Hospitals, in localities where standardized hospitals are not available, the benefits are extended to include care in any licensed general hospital that maintains a recognized standard of laboratory and nursing efficiency.

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Period of Hospital Care: During the first year this contract is in effect, the Member shall be entitled to Hospital Care covering a period of Fifty (50) days for each sickness or injury resulting from a separate and distinct cause, and during each succeeding year this contract remains in effect, without lapse or delinquency, covering a period of Five (5) years, the number of days hospital care to which the Member is entitled shall be increased by Ten (10) days over the number of days to which he was entitled during the preceding year. Each year thereafter and so long as this contract remains in effect, without lapse or delinquency, the Member shall be entitled to Hospital Care covering a period of One Hundred (100) days for each sickness or injury arising during that year; provided that the Member at no time shall be entitled to more than one hundred days hospital care in the aggregate for *any one* particular or specific sickness or injury, except as provided in the Accumulative Hospital Care provision hereof.

Accumulative Hospital Care: If during any one contract year this contract is in effect, without lapse or delinquency, the Member has not used the entire or any portion of the hospital-days-care to which he is entitled under the preceding provision, the hospital-days-care to which he is entitled during the following contract year shall be increased by One-Half (½) of the number of unused days to which he was entitled during that preceding year; provided that the total number of days hospital care to which the Member is entitled during any contract year shall not be more than one hundred and fifty days.

(3) Special Nursing Care: The Association shall assume the cost of Special Nursing Care as provided for herein, if the Member, while confined in a hospital as a beneficiary under this contract, is in such a serious condition as to make special nursing a definitely necessary part of his care; provided that the Member or someone in the Member's behalf shall notify the Association at the time such special services are engaged and shall furnish proof satisfactory to the Association that Special Nursing Care is necessary; provided further that the Association shall not be required to assume the cost of special nurses for a time longer than such care is definitely necessary for the Member, but the Member may continue such care at his own expense, notwithstanding.

Period of Special Nursing Care: The Member shall be entitled to care by Special Nurses as defined in sub-section (3) hereof, for a total of One Hundred and Forty-four (144) hours during each contract year, except as provided in the Accumulative Special Nursing Care provision hereof.

Accumulative Special Nursing Care: If, during any one contract year, the Member has not used the entire or any portion of the Special Nursing Care to which he is entitled under the preceding section, the Special Nursing Care to which he is entitled during the following contract year shall be increased by Eight (8) hours for each eight-hours of unused Special Nursing Care to which he was entitled during that preceding year.

Proof of Member's Right to Benefits: The Association shall have the right to all information reasonably necessary in investigating any claim of the Member to benefits hereunder, and proof of the Member's right to benefits shall be furnished by the Member. To facilitate the Member's claim to benefits, the Member hereby authorizes any physician or surgeon, hospital, nurse and/or other party from whom he has received services or care, either within or outside the provisions of this contract, to furnish to the Association or its duly authorized representative, at any time on request of the Association, any and all records or copies of records, x-ray films and findings, and any and all other information relating to the history, diagnosis, treatment, services and care of any condition for which the Member is claiming benefits. Failure or refusal by the Member or the attending doctor, hospital or other party to furnish the Association any information it shall require in the execution of this contract shall relieve the Association, at its option, of providing the benefits to which the Member otherwise would be entitled.

Member to Notify the Association: The Member, the attending doctor or some other person in the Member's behalf, shall notify the Association in writing prior to or within five days after the Member's admission to the hospital on account of any sickness or injury for which he is claiming benefits hereunder. Such notice shall contain the name and address of

the hospital and the attending doctor, and the nature, extent and seriousness of the sickness or injury for which the Member requires hospital care.

The Member shall, on request of the Association, submit to a physical examination by a physician or surgeon engaged by the Association for that purpose during any time the Member is receiving care for which he is claiming benefits or during the pendency of any claim hereunder and so often as reasonably may be required.

SEC. III. PROVISIONS AND CONDITIONS: The Association undertakes only to bear the expense of Ambulance, Hospital Care and Special Nursing as defined in this contract to the extent such care is available and is actually necessary for the care of the particular condition for which the Member requires hospital care, and the Association shall not assume costs of duplications or of excessive services or care. The benefits are at all times confined to the established care that is available in the particular hospital selected by the Member, and the Association does not at any time agree to make such care available to the Member. The Association shall not be liable for any acts or omissions on the part of any hospital, nurse or any other party beyond the payment of the benefits to which the Member is entitled under this contract.

The Association shall not be responsible for the payment of any bills contracted by the Member or by any other person other than as specifically provided for in this contract, but the Member, at his own expense, may engage hospital care and/or other services and care in addition or extraneous to that to which he is entitled hereunder.

The obligation of the Association is personal to and limited to the Member, and no other person shall have any right to benefits, and no person other than the Member or his legal representative shall have any right of suit or action under this contract. No suit or action shall be filed against the Association within ninety days after the Member's claim has been established. If the Member fails to file a claim with the Association within twelve months after a claim has accrued, all rights on account of such claim and all rights of suit or action on account thereof are hereby waived.

If the Association, through error or misinformation, has paid any account for the Member to which the Member was not entitled, or has reimbursed the Member for any such account, the Member shall refund to the Association any moneys the Association has thus paid. This contract cannot be altered, enlarged or modified in any manner except by the acts of duly authorized officers of the Association endorsed hereon.

The acceptance by the Association of any charge for services or care to which the Member is not eligible shall be voluntary on the part of the Association and shall not be considered as an acknowledgment by the Association of any liability under this contract.

Confidence Basis of Contract—Abuse of Rights and Fraudulent Use: This contract is based on the mutual confidence of the Member and the Association, and any abuse or misuse of the rights herein granted shall be cause for cancellation of the contract by the Association and shall deprive the Member of the rights and privileges to which he is otherwise entitled. In the event of any fraud or misrepresentation on the part of the Member in procuring this contract, the contract, at the option of the Association, shall be wholly void and the Member shall reimburse or compensate the Association for any moneys it has expended or loss it has sustained on account of such misrepresentation. The fraudulent use of this contract by any person to obtain benefits for anyone other than the Member shall subject that person to prosecution therefor.

Member to Assume Cost of General Hospital Care for First Two Days: While this contract provides that the Association shall bear the expense of Hospital Care for the Member, it is particularly intended to protect the Member against the *more expensive* services. Therefore, in order to make it possible for the Association to include in the contract special nursing and the more expensive facilities for x-rays, laboratory examinations, etc., at a minimum contract charge to the Member, it is understood that the Member will assume, without reimbursement from the Association, the cost of general hospital care for the first two days during any one hospitalization period; it being further understood that this regulation applies

only to *general hospital* care and not to x-rays, use of surgery, anesthetics and other special hospital facilities that are found necessary during the first two days the Member is confined to the hospital and to which he is otherwise entitled hereunder.

Benefits Intended as Payment for Hospital Care—Bills May be Rendered to the Association or to the Member: The intention of this contract is to provide Hospital Care for the Member, and it is mutually agreed that any remuneration to the Member shall apply in payment of such care. To this end bills for benefits to which the Member is entitled shall be rendered in the name of the hospital, nurse or ambulance company rendering the services, and may be rendered to the Association or to the Member. The Member hereby authorizes the Association to pay such bills direct to the hospital, nurse or ambulance company, or, upon proof satisfactory to the Association that such bills have been paid, the Association shall reimburse the Member but not in excess of payments provided for herein. Before making any such reimbursement the Member shall furnish the Association written statements from the hospital, nurse, and/or ambulance company acknowledging receipt of the payments for which the Member is claiming reimbursement from the Association.

All bills must be fully itemized giving complete diagnoses and dates and class of services rendered. Bills should be mailed to the Association as early as possible after the Member has been discharged or at the end of the period for which the Member is entitled to benefits; provided that where the Member is under and entitled to treatment over a prolonged period bills should be rendered to the Association at the end of each calendar month.

Ambulance Fees: The Association will pay for ambulance service the established minimum fees in use in the community in which the ambulance is engaged, but not in excess of Fifty Cents (50c) per mile outside of city limits. The Association shall assume the cost of ambulance transportation only where the Member's condition is of such a serious nature as to make ambulance necessary.

Hospital Rates and Fees: The Association will pay for General Hospital Care and Special Hospital Facilities as follows:

(a) For General Hospital Care, the established fees of the selected hospital, but not in excess of Five Dollars ($5.00) per day, which shall include semi-private room, general nursing, routine laboratory, board, bed, ordinary medicines and dressings and all other facilities, care and supplies except the special facilities enumerated in Subdivision (b) hereof.

(b) For Special Hospital Facilities, including use of surgery, anesthetics, antitoxins and biological serums, x-rays, oxygen and radium, blood transfusions, basal metabolisms, special laboratory examinations, electrocardiograms, encephalograms, pyelograms and physical therapy, the Association will pay the established fees of the selected hospital, but not in excess of the fees established by the Association as maximum fees to be paid under this contract; provided that the Association shall not assume the cost of more than one encephalogram, two pyelograms, two electrocardiograms, two basal metabolisms or ten physical therapy treatments during any one hospitalization period.

Special Nursing Fees: The Association will pay for Special Nursing the customary fees as established by the Nurses' Association in the community in which the services are rendered, but not to exceed a rate of Five Dollars ($5.00) for eight-hour duty.

Member and Association to Cooperate—Member to Check Bills and Association to Promptly Pay Accounts: The Member and the Association shall cooperate in the execution of this contract to the end that the Member shall receive prompt and efficient care at reasonable costs to the Association, and the Member agrees to personally check all bills in the same manner and to the same extent as if this contract did not exist and he were personally to assume the charge without reimbursement from the Association, and the Association agrees to pay such accounts promptly and within thirty days after the Member's claim has been established.

Third Party Liability—Subrogation Right: If the Member is injured or becomes ill by the acts or omissions of another person for which that person or some other party is legally responsible, the Association shall be released from assuming the costs of the benefits to which the Member would otherwise be entitled; provided that if the party who is legally responsible

fails or refuses to assume the costs of care required by the Member on account of such sickness or injury, the Association shall assume the costs of any benefits to which the Member is otherwise entitled hereunder the same as if no third-party-responsibility existed, and in which event the Association shall be subrogated to all rights of the Member to the extent of any costs it has assumed or paid on the Member's account. If the Member makes settlement with or releases such third person or party or waives his right of action against such third person or party, in whole or in part, without the written consent of the Association, then and in that event all obligations of the Association to the Member on account of such sickness or injury are hereby cancelled and the Member shall reimburse the Association for any costs it has assumed or paid for the Member on account of the sickness or injury so sustained.

If the Member shall be entitled to hospital care or the costs thereof through another association or any other party to which he has paid or contributed a contract charge or premium, the Association shall assume the cost of services and care to which the Member is otherwise entitled hereunder only in the proportion that the benefits to which he is entitled hereunder bear to the benefits to which he is entitled from such other association or other party.

Occupational Injuries or Diseases—Change of Occupation: If the Member shall engage in any occupation coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts and shall wish to extend the coverage of this contract to include conditions arising as a result of such occupation, he shall notify the Association and shall pay to the Association in advance such charge as the Association shall fix as the contract charge for such additional coverage. Such charge shall be based on the hazard of the occupation in which the Member is engaged and shall be in addition to the basic charge of this contract. Change of occupation shall be no bar to renewal of this contract unless the Member shall engage in an unlawful practice or occupation.

Terms of Contract Defined: (a) "The Association" means the National Hospital Association, a Corporation of the State of Oregon, U. S. A., with executive offices in the City of Portland, Oregon. (b) "Member" means the person for whose benefit this contract is made. (c) "General Nursing" means care by nurses regularly employed in the selected hospital and whose services are a part of the hospital care herein intended. (d) "Ordinary Medicines and Dressings" means those medicines and dressings that are prescribed by the attending doctor in the treatment of the Member while the Member is confined in the hospital, but does not include vitamines, proprietaries or specialties. (e) "Routine Laboratory" means such laboratory examinations as are done routinely in the usual procedure of standardized hospitals, including urinalyses, blood counts, Wassermanns, etc., as distinguished from special laboratory examinations in diagnosing a particular condition. (f) "Contract Year" means a period of time beginning on the date the contract becomes effective and terminating at midnight three hundred and sixty-five (365) days thereafter (Leap Year 366 days). (g) "Chronic Conditions" are those conditions of prolonged duration characterized by slowly progressing symptoms as differentiated from (h) "Acute Sicknesses" which means those sicknesses of recent origin coming speedily to a crisis. (i) "Benefits" means Hospital Care, Special Nursing and such related services and care as are herein enumerated.

If the Member shall default in the payment of any contract charge, this contract shall automatically terminate upon such default, and the Member thereafter shall not be entitled to any further benefits except such benefits to which he became entitled before such default. If the Member, prior to such default, has not applied for benefits on account of any sickness or injury alleged to have occurred during the period this contract was in effect, he shall lose all rights to benefits on account of such alleged sickness or injury and for the purposes of this contract such sickness or injury shall be deemed not to have occurred while the Member was under its coverage. Reinstatement of this contract shall be optional with the Association and subject to its rules and regulations.

The Term of this contract is One Year from the date it became effective, known as the Contract Year, and the contract shall renew automatically each year thereafter on payment of the contract charges provided for and at times stated. Non-payment of the contract charges

3434

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at the times stated shall be deemed an election on the part of the Member not to renew this contract. If the Association shall elect not to renew this contract it shall give written notice to the Member thirty days prior to the end of the current contract year. Such termination shall not deprive the Member of any rights or benefits for which he applied and to which he became entitled prior to such termination.

The Contract Charges are _____ per month, which shall be paid in advance. Payments may be made annually, semi-annually, quarterly or monthly, optional with the Member. Grace periods shall be granted as follows: Annual Payments, twenty days grace; Semi-Annual Payments, ten days grace; Quarterly Payments, five days grace. The contract charges shall not be raised because of advance in the Member's age if the Member is under the age of fifty-five years at the time of application herefor, but the Association shall have the right to modify the benefits of this contract to meet improved methods and practices in the treatment of sickness and injury and/or to adjust the contract charges to meet changing costs or other conditions beyond its control. Any such change shall not become effective prior to the first day of the succeeding contract year, and the Association shall give written notice of such change to the Member thirty days prior to the date such change becomes effective.

Credentials for Obtaining Benefits: The payments of the contract charges hereunder shall be evidenced by Certificates issued by the duly authorized representatives of the Association. Such certificates shall contain the Member's credentials for obtaining benefits to which he is entitled under the contract.

This contract becomes effective on the _____ day of _____, 19___.

IN WITNESS WHEREOF, the National Hospital Association of Portland, Oregon, has on this _____ day of _____, 19___, caused this contract to be executed by its duly authorized officers.

Countersigned

L. L. Beard

Secretary

NATIONAL HOSPITAL ASSOCIATION,

O. S. Dahm

President

TO OUR MEMBER: This Contract is your security in sickness and in injury—read it carefully and familiarize yourself with its benefits. Feel that the National Hospital Association is your Association, treat it fairly, make your payments promptly and it will be your friend wherever you are.

Plaintiff's Exhibit 1812

HOSPITAL SECURITY

World-Wide

NATIONAL

HOSPITAL ASSOCIATION

Established 1906

EXECUTIVE OFFICES · PORTLAND, ORE., · U.S.A.

AL 1812

SAMPLE

ISSUED FROM NOV1-1939 to
JUNE 30-1941 INCLUSIVE

NATIONAL
HOSPITAL ASSOCIATION
732 S. W. 3RD AVE. PORTLAND 4, OREGON

FAMILY CONTRACT SPECIAL

5436

8287

PROTECTS YOUR HEALTH, YOUR HOME AND YOUR INCOME

HOSPITAL SECURITY

FOREWORD: This Contract provides Hospital Care and Special Nursing for the Members named herein of the class and to the extent herein defined for both sickness and injury wherever the members may be.

FAMILY-GROUP CONTRACT • SPECIAL

CONTRACT NO.

NATIONAL HOSPITAL ASSOCIATION

Established 1906

INCORPORATED UNDER THE LAWS OF OREGON

EXECUTIVE OFFICES • PORTLAND, OREGON • U. S. A.

SAMPLE

HEREIN CALLED THE ASSOCIATION, promises and agrees with _____, residing
(Father and/or Mother or other Head of Family)

at _____,
Street or Rural Address City State

as Representative of the Family Members whose names are herein listed and referred to as the Members, to bear the expense of Hospital Care and Special Nursing for the Members of the class and to the extent herein stated that are made necessary by sickness or injury as hereinafter defined, subject to the respective applications herefor and to the provisions and conditions herein contained.

MEMBERS COVERED BY THIS CONTRACT

ADULTS	RELATION TO FAMILY
1st	
2nd	
3rd	
4th	

JUNIORS	RELATION TO FAMILY
1st	
2nd	
3rd	
4th	

SAMPLE

The Causes for which the Members are entitled to benefits and the Benefits to which the Members are entitled are more particularly defined herein under the caption, "Coverage, Benefits, Provisions and Conditions Enumerated and Defined."

Member or Family Representative to Select Hospital: The Member or the Family Representative on behalf of the Member shall have the right to select any general hospital that is a member of the American Hospital Association or any other general hospital in the United

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States that meets the requirements of the American Hospital Association, or any general hospital in Canada or any other foreign country that maintains a recognized standard of laboratory and nursing efficiency.

The Selection and Employment of a Physician or Surgeon shall be wholly within the discretion of the Member or the Family Representative, and the Association shall at no time exercise any right or assume any responsibility for the employment of a physician or surgeon for the Members; provided that the Association may, in its discretion and at its expense, engage a specialist or any other physician or surgeon to act in consultation with the physician or surgeon engaged by the Member or the Family Representative, if in its judgment the Member would be benefitted thereby.

COVERAGE, BENEFITS, PROVISIONS AND CONDITIONS ENUMERATED AND DEFINED

SEC. I. COVERAGE: This contract shall cover and the Association shall bear the expense of Hospital Care and Special Nursing for the Members of the class and to the extent specified herein for the following causes, excluding all others:

(1) Personal Injuries occurring after this contract has been in effect for a period of seven days.

(2) Acute Sicknesses having their origin after this contract has been in effect for a period of fifteen days.

(3) Chronic Sicknesses that become active after this contract has been in continuous effect for a period of six months, but not including chronic sicknesses that become active within the six months next following the date of this contract or that have been active within the six months next preceding the date of this contract; provided that the benefits shall not apply to Operations for Chronic Conditions or Operations on Antrums or Sinuses or for Goitre or Hernia until after this contract has been in continuous effect for a period of one year, or if the particular condition has been active during the first contract year. Operations for Removal of Tonsils are included if the Member is over the age of sixteen years and removal of the tonsils is found necessary as treatment for a systemic illness caused by disease of the tonsils; provided that this contract has been in continuous effect for a period of one year.

(4) Conditions Peculiar to the Member's Sex having their origin after this contract has been in continuous effect for a period of one year.

(5) Tuberculosis and Mental Disorders (Not including Insanity) that become active after this contract has been in continuous effect for a period of two years, but not if the Member has had an active Tuberculosis or an active Mental Disorder within the five-year period next preceding the date of this contract or within the first two years this contract is in effect, or if the Member is eligible or would be eligible to care in a governmental hospital if this contract had not been made.

(6) Maternity Benefits: The benefits of this contract are hereby extended to include hospitalization for maternity cases, including laboratory tests, anesthetic, birth room and care of mother and baby; provided that both parents of the child have been members for at least eighteen months next preceding the date of birth.

Complications Considered as Part of Original Cause: Any complication or any condition arising as a result of a sickness or injury for which a Member is receiving benefits hereunder shall be considered as a part of the original sickness or injury and not as a separate and distinct cause.

Conditions Not Covered: This contract does not cover Insanity, Drug Addiction, Alcoholism, Congenital Conditions, Corrections of Deformities, Hernias existing at the time of application herefor, Diseases not accepted in general hospitals or Pregnancy and Child-birth and conditions arising therefrom, except as provided in the Maternity Benefits section hereof; Occupational Injuries and Diseases coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts or Diseases and Injuries received in commission of a felony or

while engaged in any war, riot or insurrection. (See provision relating to coverage for Occupational Injuries or Diseases.)

SEC. II. BENEFITS: The benefits to which the Members are entitled are hereinafter enumerated and defined, excluding all others:

(1) Ambulance when ambulance facilities are necessary to transport a Member to the hospital, but not beyond a community in which hospital facilities are available.

(2) Hospital Care, herein intended, means care in a Private Room, and includes (a) General Nursing, (b) Board, (c) Use of Surgery and Surgical Facilities, (d) Anesthetic and Anesthetist, (e) Ordinary Medicines and Dressings, (f) Antitoxins and Biological Serums, (g) Laboratory Tests, (h) X-ray Examinations, (i) Radium and Oxygen Therapy, (j) Blood Transfusions, (k) Pathological Examinations, (l) Basal Metabolism Tests, (m) Electrocardiograms, (n) Encephalograms, (o) Pyelograms, (p) Physical Therapy, and (q) other care and facilities recognized as general hospital facilities with which the selected hospital is equipped. Hospital Care includes care in Private Sanitarium in case of a Mental Disorder or Tuberculosis of the lungs.

A Member shall be entitled to Hospital Care only where and during such time as he or she is necessarily a bed patient and his or her attending physician or surgeon directs that the Member be placed in the hospital in order to receive necessary and proper care. Hospital Care, as used herein, at no time means confining a Member to the hospital for rest cure or for diagnostic purposes, or for any purposes other than for necessary care in the treatment of a sickness or injury for which he or she is entitled to benefits hereunder, and the benefits of this contract shall at no time include services or treatments by physicians or surgeons or technicians, except the services of such physicians and technicians as are regularly engaged and paid by the selected hospital in the performance of those certain classes of examinations and therapy enumerated in Subdivision 2, Section II hereof, and for which the services of physicians and/or technicians are required.

Emergency Hospital Care: While it is the intention of this contract that the benefits to which the Members are entitled shall be obtained in Standardized Hospitals, in localities where standardized hospitals are not available, the benefits are extended to include care in any licensed general hospital that maintains a recognized standard of laboratory and nursing efficiency.

Period of Hospital Care: During the first year this contract is in effect the Members, severally, shall be entitled to Hospital Care covering a period of Sixty (60) days for each sickness or injury resulting from a separate and distinct cause, and during each succeeding year this contract remains in effect, without lapse or delinquency, covering a period of Six (6) years, the number of days hospital care to which the Members, severally, are entitled shall be increased by Ten (10) days over the number of days to which they were entitled during the preceding year. Each year thereafter and so long as this contract remains in effect, without lapse or delinquency, the Members, severally, shall be entitled to Hospital Care covering a period of One Hundred and Twenty (120) days for each sickness or injury arising during that year; provided that no one Member shall be entitled to more than one hundred and twenty days hospital care in the aggregate for *any one* particular or specific sickness or injury, except as provided in the Accumulative Hospital Care provision hereof.

Accumulative Hospital Care: If during any one contract year this contract is in effect, without lapse or delinquency, a Member has not used the entire or any portion of the hospital-days-care to which he or she is entitled under the preceding provision, the hospital-days-care to which he or she is entitled during the following contract year shall be increased by One-Half (½) of the number of unused days to which he or she was entitled during that preceding year; provided that the total number of days hospital care to which the Members, severally, are entitled during any contract year shall not be more than one hundred and eighty days.

(3) Special Nursing Care: The Association shall assume the cost of Special Nursing Care as provided for herein, if the Member, while confined in a hospital as a beneficiary under

this contract, is in such a serious condition as to make special nursing a definitely necessary part of his or her care; provided that the Member or someone in the Member's behalf shall notify the Association at the time such special services are engaged and shall furnish proof satisfactory to the Association that Special Nursing Care is necessary; provided further that the Association shall not be required to assume the cost of special nurses for a time longer than such care is definitely necessary for the Member, but the Member may continue such care at his or her own expense, notwithstanding.

Period of Special Nursing Care: A Member shall be entitled to care by Special Nurses as defined in sub-section (3) hereof, for a total of Two Hundred and Forty (240) hours during each contract year, except as provided in the Accumulative Special Nursing Care provision hereof.

Accumulative Special Nursing Care: If, during any one contract year, the Member has not used the entire or any portion of the Special Nursing Care to which he or she is entitled under the preceding section, the Special Nursing Care to which he or she is entitled during the following contract year shall be increased by Eight (8) hours for each eight-hours of unused Special Nursing Care to which he or she was entitled during that preceding year.

Proof of Members' Rights to Benefits: The Association shall have the right to all information reasonably necessary in investigating any claims of the Members to benefits hereunder, and proof of the Members' rights to benefits shall be furnished by the Members or the Family Representative. To facilitate a Member's claim to benefits, the Member and the Family Representative hereby authorize any physician or surgeon, hospital, nurse and/or other party from whom the Member has received services or care, either within or outside the provisions of this contract, to furnish to the Association or its duly authorized representative, at any time on request of the Association, any and all records or copies of records, x-ray films and findings, and any and all other information relating to the history, diagnosis, treatment, services and care of any condition for which a Member is claiming benefits. Failure or refusal by the Member, the Family Representative or the attending doctor, hospital or other party to furnish the Association any information it shall require in the execution of this contract shall relieve the Association, at its option, of providing the benefits to which the Member otherwise would be entitled.

Member or Family Representative to Notify the Association: The Member or the Family Representative, or the attending doctor or some other person in the Member's behalf, shall notify the Association in writing prior to or within five days after a Member's admission to the hospital on account of any sickness or injury for which a Member is claiming benefits hereunder. Such notice shall contain the name and address of the hospital and the attending doctor, and the nature, extent and seriousness of the sickness or injury for which the Member requires hospital care.

A Member shall, on request of the Association, submit to physical examination by a physician or surgeon engaged by the Association for that purpose during any time the Member is receiving care for which he or she is claiming benefits or during the pendency of any claim hereunder and so often as reasonably may be required, and the Members and the Family Representative hereby consent to and authorize such examinations.

SEC. III. PROVISIONS AND CONDITIONS: The Association undertakes only to bear the expense of Ambulance, Hospital Care and Special Nursing as defined in this contract to the extent such care is available and is actually necessary for the care of the particular condition for which the Member requires hospital care, and the Association shall not assume costs of duplications or of excessive services or care. The benefits are at all times confined to the established care that is available in the particular hospital selected by the Member or the Family Representative, and the Association does not at any time agree to make such care available to the Members. The Association shall not be liable for any acts or omissions on the part of any hospital, nurse or any other party beyond the payment of the benefits to which a Member is entitled under this contract.

The Association shall not be responsible for the payment of any bills contracted by the

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Family Representative or the Members or by any other person other than as specifically provided for in this contract, but the Member or the Family Representative, at his or her own expense, may engage hospital care and/or other services and care in addition or extraneous to that to which the Members are entitled hereunder.

The obligation of the Association is personal to and limited to the Members, and no other person shall have any right to benefits, and no person other than the Family Representative or the Members or their legal representative shall have any right of suit or action under this contract. No suit or action shall be filed against the Association within ninety days after a Member's claim has been established. If the Member or the Family Representative fails to file a claim with the Association within twelve months after a claim has accrued, all rights on account of such claim and all rights of suit or action on account thereof are hereby waived.

If the Association, through error or misinformation, has paid any account for any Member to which he or she was not entitled, or has reimbursed the Member or the Family Representative for any such account, the Member or the Family Representative shall refund to the Association any moneys the Association has thus paid. This contract cannot be altered, enlarged or modified in any manner except by the acts of duly authorized officers of the Association endorsed hereon.

The acceptance by the Association of any charge for services or care to which the Members are not eligible shall be voluntary on the part of the Association and shall not be considered as an acknowledgment by the Association of any liability under this contract.

Confidence Basis of Contract—Abuse of Rights and Fraudulent Use: This contract is based on the mutual confidence of the Members, the Family Representative and the Association, and any abuse or misuse of the rights herein granted shall be cause for cancellation of the contract by the Association and shall deprive the Members of the rights and privileges to which they are otherwise entitled. In the event of any fraud or misrepresentation on the part of the Members or the Family Representative in procuring this contract, the contract, at the option of the Association, shall be wholly void and the Family Representative shall reimburse or compensate the Association for any moneys it has expended or loss it has sustained on account of such misrepresentation. The fraudulent use of this contract by any person to obtain benefits for anyone other than the Members shall subject that person to prosecution therefor.

Family Representative to Assume Cost of General Hospital Care for First Two Days: While this contract provides that the Association shall bear the expense of Hospital Care for the Members, it is particularly intended to protect the Members and the Family Representative against the *more expensive* services. Therefore, in order to make it possible for the Association to include in the contract special nursing and the more expensive facilities for x-rays, laboratory examinations, etc., at a minimum contract charge to the Family Representative, it is understood that the Family Representative will assume, without reimbursement from the Association, the cost of general hospital care for the first two days during any one hospitalization period; it being further understood that this regulation applies only to *general hospital care* and not to x-rays, use of surgery, anesthetics and other special hospital facilities that are found necessary during the first two days the Member is confined to the hospital and to which he or she is otherwise entitled hereunder.

Benefits Intended as Payment for Hospital Care—Bills May be Rendered to the Association, to the Member or to the Family Representative: The intention of this contract is to provide Hospital Care for the Members, and it is mutually agreed that any remuneration to the Family Representative shall apply in payment of such care. To this end bills for benefits to which the Members are entitled shall be rendered in the name of the hospital, nurse or ambulance company rendering the services, and may be rendered to the Association or to the Family Representative. The Members and the Family Representative hereby authorize the Association to pay such bills direct to the hospital, nurse or ambulance company, or, upon proof satisfactory to the Association that such bills have been paid, the Association shall reimburse the Family Representative but not in excess of payments provided for herein.

Before making any such reimbursement the Family Representative shall furnish the Association written statements from the hospital, nurse and/or ambulance company acknowledging receipt of the payments for which the Member is claiming reimbursement from the Association.

All bills must be fully itemized giving complete diagnoses and dates and class of services rendered. Bills should be mailed to the Association as early as possible after the Member has been discharged or at the end of the period for which the Member is entitled to benefits; provided that where a Member is under and entitled to treatment over a prolonged period bills should be rendered to the Association at the end of each calendar month.

Ambulance Fees: The Association will pay for ambulance service the established minimum fees in use in the community in which the ambulance is engaged, but not in excess of Fifty Cents (50c) per mile outside of city limits. The Association shall assume the cost of ambulance transportation only where the Member's condition is of such a serious nature as to make ambulance necessary.

Hospital Rates and Fees: The Association will pay for General Hospital Care and Special Hospital Facilities as follows:

(a) For General Hospital Care, the established fees of the selected hospital, but not in excess of Six Dollars and Fifty Cents ($6.50) per day, which shall include private room, general nursing, routine laboratory, board, bed, ordinary medicines and dressings and all other facilities, care and supplies except the special facilities enumerated in Subdivision (b) hereof.

(b) For Special Hospital Facilities, including use of surgery, anesthetics, antitoxins and biological serums, x-rays, oxygen and radium, blood transfusions, basal metabolisms, special laboratory examinations, electrocardiograms, encephalograms, pyelograms and physical therapy, the Association will pay the established fees of the selected hospital, but not in excess of the fees established by the Association as maximum fees to be paid under this contract; provided that the Association shall not assume the cost of more than one encephalogram, two pyelograms, two electrocardiograms, two basal metabolisms or ten physical therapy treatments during any one hospitalization period.

Fees for Maternity Cases: The Association will pay up to Eighty Dollars ($80.00) for hospital care and attention of mother and baby as defined in the Maternity Benefits provision hereof, which shall constitute the total benefits to which the Member is entitled for obstetrics.

Special Nursing Fees: The Association will pay for Special Nursing the customary fees as established by the Nurses' Association in the community in which the services are rendered, but not to exceed a rate of Five Dollars ($5.00) for eight-hour duty.

Member, Family Representative and Association to Cooperate—Family Representative to Check Bills and Association to Promptly Pay Accounts: The Members, the Family Representative and the Association shall cooperate in the execution of this contract to the end that the Members shall receive prompt and efficient care at reasonable costs to the Association, and the Family Representative agrees to personally check all bills in the same manner and to the same extent as if this contract did not exist and he or she were personally to assume the charge without reimbursement from the Association, and the Association agrees to pay such accounts promptly and within thirty days after the Members' claims have been established.

Third Party Liability—Subrogation Right: If any Member is injured or becomes ill by the acts or omissions of another person for which that person or some other party is legally responsible, the Association shall be released from assuming the costs of the benefits to which that Member would otherwise be entitled; provided that if the party who is legally responsible fails or refuses to assume the costs of care required by the Member, the Association shall assume the costs of the benefits to which the Member is otherwise entitled hereunder the

same as if no third-party-responsibility existed, and in which event the Association shall be subrogated to all rights of the Member and the Family Representative to the extent of any costs it has assumed or paid on the Member's account. If the Member or the Family Representative makes settlement with or releases such third person or party or waives right of action against such third person or party, in whole or in part, without the written consent of the Association, then and in that event all obligations of the Association to the Member and/or the Family Representative arising out of such sickness or injury are hereby cancelled and the Member and/or the Family Representative shall reimburse the Association for any costs it has assumed or paid for the Member on account of the sickness or injury so sustained.

If a Member shall be entitled to hospital care or the cost thereof through another association or any other party to which he or she has paid or contributed a contract charge or premium, the Association shall assume the cost of services and care to which the Member is otherwise entitled hereunder only in the proportion that the benefits to which he or she is entitled hereunder bear to the benefits to which he or she is entitled from such other association or other party.

Occupational Injuries or Diseases—Change of Occupation: If any Member shall engage in any occupation coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts and the Member or the Family Representative shall wish to extend the coverage of this contract to include conditions arising as a result of such occupation, he or she shall notify the Association and shall pay to the Association in advance such charge as the Association shall fix as the contract charge for such additional coverage. Such charge shall be based on the hazard of the occupation in which the Member is engaged and shall be in addition to the basic charge of this contract. Change of occupation shall be no bar to renewal of this contract unless a Member shall engage in an unlawful practice or occupation.

Terms of Contract Defined: (a) "The Association" means the National Hospital Association, a Corporation of the State of Oregon, U. S. A., with executive offices in the City of Portland, Oregon. (b) "Member" or "Members" means the person or persons for whose benefit this contract is made. (c) "Junior Members" means those Members under the age of nineteen years. (d) "Family Representative or other Head of Family" means Father, Mother, Guardian or any other person acting as sponsor hereunder. (e) "General Nursing" means care by nurses regularly employed in the selected hospital and whose services are a part of the hospital care herein intended. (f) "Ordinary Medicines and Dressings" means those medicines and dressings that are prescribed by the attending doctor in the treatment of a Member while the Member is confined in the hospital, but does not include vitamines, proprietaries or specialties. (g) "Routine Laboratory" means such laboratory examinations as are done routinely in the usual procedure of standardized hospitals, including urinalyses, blood counts, Wassermanns, etc., as distinguished from special laboratory examinations in diagnosing a particular condition. (h) "Contract Year" means a period of time beginning on the date the contract becomes effective and terminating at midnight three hundred and sixty-five (365) days thereafter (Leap Year 366 days). (i) "Chronic Conditions" are those conditions of prolonged duration characterized by slowly progressing symptoms as differentiated from (j) "Acute Sicknesses" which means those sicknesses of recent origin coming speedily to a crisis. (k) "Benefits" means Hospital Care, Special Nursing and such related services and care as are herein enumerated.

If default is made in payment of any Contract Charge for any Member, this contract shall automatically terminate upon such default as applying to that Member, and that Member thereafter shall not be entitled to any further benefits except such benefits to which he or she became entitled before such default. If the Member, prior to such default, has not applied for benefits on account of any sickness or injury alleged to have occurred during the period

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this contract was in effect, he or she shall lose all rights to benefits on account of such alleged sickness or injury and for the purposes of this contract such sickness or injury shall be deemed not to have occurred while the Member was under its coverage. Reinstatement of this contract for any such Member shall be optional with the Association and subject to its rules and regulations.

The Term of this contract is One Year from the date it became effective, known as the Contract Year, and the contract shall renew automatically each year thereafter on payment of the contract charges provided for and at times stated. Non-payment of the contract charges at the times stated shall be deemed an election on the part of the Family Representative not to renew the contract. If the Association shall elect not to renew this contract for any one or more of the Members it shall give written notice to the Family Representative thirty days prior to the end of the current contract year. Such termination shall not deprive any of the Members of any rights or benefits for which they applied and to which they became entitled prior to such termination.

Other Members of Family May Enroll—Successor to Family Representative: Since the purpose of this contract is to provide Hospital Security for the Family Group named herein, it is agreed that the Family Representative shall, at the beginning of any contract year, have the right to enroll any member or members of his or her family not herein listed, subject to acceptance by the Association of the respective applications therefor. It is further agreed that if, because of death, the membership of the Family Representative is terminated, his or her surviving spouse shall automatically become the Family Representative under this contract, and if there be no surviving spouse then and in that event the adult or junior member whose membership is next in order shall automatically become the Family Representative.

If there be no Adult Members the charges for the first and second Junior Members shall be the Adult Charges and if but one adult is a member the charge for the First Junior Member shall be the Adult Charge and the charge for the Second Junior Member shall become the charge of the First Junior Member; likewise the charge for each other Junior Member shall in order be raised to the charge of the Junior Member next preceding. If for any cause this contract is terminated for any one or more of the Members, the charges for the Members in order succeeding shall be automatically raised to the former charges of the preceding Members whose memberships have been thus changed.

Junior Members on reaching the age of nineteen years shall automatically be considered as adult members and the contract charges as applying to such members shall be the adult charges. Any Junior Member on reaching the age of nineteen years shall automatically become entitled to a personal contract in his or her own right and which shall grant to him or her all the rights and benefits, including accumulated hospital-days-care, to which he or she became entitled hereunder while a Junior Member.

Payments may be made annually, semi-annually, quarterly or monthly, optional with the Family Representative. Grace periods shall be granted as follows: Annual Payments, twenty days grace; Semi-Annual Payments, ten days grace; Quarterly Payments, five days grace. The contract charges shall not be raised for any Member because of advance in the Member's age, if the Member is under the age of fifty-five years at the time of application herefor, but the Association shall have the right to modify the benefits of this contract to meet improved methods and practices in the treatment of sickness and injury and/or to adjust the contract charges to meet changing costs or other conditions beyond its control. Any such change shall not become effective prior to the first day of the succeeding contract year, and the Association shall give written notice of such change to the Family Representative thirty days prior to the date such change becomes effective.

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Contract Charges: The charges under this contract shall be paid in advance and are as follows:

1st Adult, _____ per month	1st Junior, _____ per month
2nd Adult, _____ per month	2nd Junior, _____ per month
3rd Adult, _____ per month	3rd Junior, _____ per month
4th Adult, _____ per month	4th Junior, _____ per month
_____	_____
_____	_____

Credentials for Obtaining Benefits: The payments of the contract charges hereunder shall be evidenced by Certificates issued by the duly authorized representatives of the Association. Such certificates shall contain the Members' credentials for obtaining benefits to which they are entitled under this contract.

This contract becomes effective on the _____ day of _____, 19____.

IN WITNESS WHEREOF, the National Hospital Association of Portland, Oregon, has on this _____ day of _____, 19____, caused this contract to be executed by its duly authorized officers.

Countersigned

NATIONAL HOSPITAL ASSOCIATION,

G. L. Beckwith
Secretary

O. S. Dabney
President

TO OUR MEMBERS: This Contract is your security in sickness and in injury—read it carefully and familiarize yourself with its benefits. Feel that the National Hospital Association is your Association, treat it fairly, make your payments promptly and it will be your friend wherever you are.

Plaintiff's Exhibit 1813

HOSPITAL SECURITY

World-Wide

NATIONAL HOSPITAL ASSOCIATION

NATIONAL

HOSPITAL ASSOCIATION

Established 1906

EXECUTIVE OFFICES · PORTLAND, ORE., · U.S.A.

1813

SAMPLE

ISSUED FROM NOV 1-1939 to
JUNE 30-1941 INCLUSIVE

NATIONAL
HOSPITAL ASSOCIATION
732 S. W. 3RD AVE. PORTLAND 4, OREGON

PERSONAL CONTRACT SPECIAL

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PROTECTS YOUR HEALTH, YOUR HOME AND YOUR INCOME

HOSPITAL SECURITY

FOREWORD: This Contract provides Hospital Care and Special Nursing for the Member of the class and to the extent herein defined for both sickness and injury wherever the Member may be

PERSONAL CONTRACT - SPECIAL

CONTRACT NO.

NATIONAL HOSPITAL ASSOCIATION

INCORPORATED UNDER THE LAWS OF OREGON

EXECUTIVE OFFICES - PORTLAND, OREGON - U. S. A.

Established 1906

HEREIN CALLED THE ASSOCIATION, promises and agrees with _____, residing at _____,
(Street or Rural Address) (City) (State)

herein called the Member, to bear the expense of Hospital Care and Special Nursing for the Member of the class and to the extent herein stated that are made necessary by sickness or injury as hereinafter defined, subject to the Member's application herefor and to the provisions and conditions herein contained.

The Causes for which the Member is entitled to benefits and the Benefits to which the Member is entitled are more particularly defined herein under the caption, "Coverage, Benefits, Provisions and Conditions Enumerated and Defined."

Member to Select Hospital: The Member shall have the right to select any general hospital that is a member of the American Hospital Association or any other general hospital in the United States that meets the requirements of the American Hospital Association, or any general hospital in Canada or any other foreign country that maintains a recognized standard of laboratory and nursing efficiency.

The Selection and Employment of a Physician or Surgeon shall be wholly within the discretion of the Member and the Association shall at no time exercise any right or assume any responsibility for the employment of a physician or surgeon for the Member; provided that the Association may, in its discretion and at its expense, engage a specialist or any other physician or surgeon to act in consultation with the physician or surgeon engaged by the Member, if in its judgment the Member would be benefitted thereby.

COVERAGE, BENEFITS, PROVISIONS AND CONDITIONS ENUMERATED AND DEFINED

Sec. I. COVERAGE: This contract shall cover and the Association shall bear the expense of Hospital Care and Special Nursing for the Member of the class and to the extent specified herein for the following causes, excluding all others:

(1) Personal Injuries occurring after this contract has been in effect for a period of seven days.

(2) Acute Sicknesses having their origin after this contract has been in effect for a period of fifteen days.

(3) Chronic Sicknesses that become active after this contract has been in continuous effect for a period of six months, but not including chronic sicknesses that become active within the six months next following the date of this contract or that have been active within

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the six months next preceding the date of this contract; provided that the benefits shall not apply to Operations for Chronic Conditions or Operations on Antrums or Sinuses or for Goitre or Hernia until after this contract has been in continuous effect for a period of one year, or if the particular condition has been active during the first contract year. Operations for Removal of Tonsils are included if the Member is over the age of sixteen years and removal of the tonsils is found necessary as treatment for a systemic illness caused by disease of the tonsils; provided that this contract has been in continuous effect for a period of one year.

(4) Conditions Peculiar to the Member's Sex having their origin after this contract has been in continuous effect for a period of one year.

(5) Tuberculosis and Mental Disorders (Not including Insanity) that become active after this contract has been in continuous effect for a period of two years, but not if the Member has had an active Tuberculosis or an active Mental Disorder within the five-year period next preceding the date of this contract or within the first two years this contract is in effect, or if the Member is eligible or would be eligible to care in a governmental hospital if this contract had not been made.

Complications Considered as Part of Original Cause: Any complication or any condition arising as a result of a sickness or injury for which the Member is receiving benefits hereunder shall be considered as a part of the original sickness or injury and not as a separate and distinct cause.

Conditions Not Covered: This contract does not cover Insanity, Drug Addiction, Alcoholism, Congenital Conditions, Corrections of Deformities, Hernias existing at the time of application herefor or Diseases not accepted in general hospitals; Occupational Injuries and Diseases coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts or Diseases and Injuries received in commission of a felony or while engaged in any war, riot or insurrection. (See provision relating to coverage for Occupational Injuries or Diseases.)

SEC. II. BENEFITS: The benefits to which the Member is entitled are hereinafter enumerated and defined, excluding all others:

(1) Ambulance when ambulance facilities are necessary to transport the Member to the hospital, but not beyond a community in which hospital facilities are available.

(2) Hospital Care, herein intended, means care in a Private Room, and includes (a) General Nursing, (b) Board, (c) Use of Surgery and Surgical Facilities, (d) Anesthetic and Anesthetist, (e) Ordinary Medicines and Dressings, (f) Antitoxins and Biological Serums, (g) Laboratory Tests, (h) X-ray Examinations, (i) Radium and Oxygen Therapy, (j) Blood Transfusions, (k) Pathological Examinations, (l) Basal Metabolism Tests, (m) Electrocardiograms, (n) Encephalograms, (o) Pyelograms, (p) Physical Therapy, and (q) other care and facilities recognized as general hospital facilities with which the selected hospital is equipped. Hospital Care includes care in Private Sanitarium in case of a Mental Disorder or Tuberculosis of the lungs.

The Member shall be entitled to Hospital Care only where and during such time as he is necessarily a bed patient and his attending physician or surgeon directs that the Member be placed in the hospital in order to receive necessary and proper care. Hospital Care, as used herein, at no time means confining the Member to the hospital for rest cure or for diagnostic purposes, or for any purposes other than for necessary care in the treatment of a sickness or injury for which he is entitled to benefits hereunder, and the benefits of this contract shall at no time include services or treatments by physicians or surgeons or technicians, except the services of such physicians and technicians as are regularly engaged and paid by the selected hospital in the performance of those certain classes of examinations and therapy enumerated in Subdivision 2, Section II hereof, and for which the services of physicians and/or technicians are required.

Emergency Hospital Care: While it is the intention of this contract that the benefits to which the Member is entitled shall be obtained in Standardized Hospitals, in localities where standardized hospitals are not available, the benefits are extended to include care in any licensed general hospital that maintains a recognized standard of laboratory and nursing efficiency.

Period of Hospital Care: During the first year this contract is in effect, the Member shall be entitled to Hospital Care covering a period of Sixty (60) days for each sickness or injury resulting from a separate and distinct cause, and during each succeeding year this contract remains in effect, without lapse or delinquency, covering a period of Six (6) years, the number of days hospital care to which the Member is entitled shall be increased by Ten (10) days over the number of days to which he was entitled during the preceding year. Each year thereafter and so long as this contract remains in effect, without lapse or delinquency, the Member shall be entitled to Hospital Care covering a period of One Hundred and Twenty (120) days for each sickness or injury arising during that year; provided that the Member at no time shall be entitled to more than one hundred and twenty days hospital care in the aggregate for *any one* particular or specific sickness or injury, except as provided in the Accumulative Hospital Care provision hereof.

Accumulative Hospital Care: If during any one contract year this contract is in effect, without lapse or delinquency, the Member has not used the entire or any portion of the hospital-days-care to which he is entitled under the preceding provision, the hospital-days-care to which he is entitled during the following contract year shall be increased by One-Half (½) of the number of unused days to which he was entitled during that preceding year; provided that the total number of days hospital care to which the Member is entitled during any contract year shall not be more than one hundred and eighty days.

(3) Special Nursing Care: The Association shall assume the cost of Special Nursing Care as provided for herein, if the Member, while confined in a hospital as a beneficiary under this contract, is in such a serious condition as to make special nursing a definitely necessary part of his care; provided that the Member or someone in the Member's behalf shall notify the Association at the time such special services are engaged and shall furnish proof satisfactory to the Association that Special Nursing Care is necessary; provided further that the Association shall not be required to assume the cost of special nurses for a time longer than such care is definitely necessary for the Member, but the Member may continue such care at his own expense, notwithstanding.

Period of Special Nursing Care: The Member shall be entitled to care by Special Nurses as defined in sub-section (3) hereof, for a total of Two Hundred and Forty (240) hours during each contract year, except as provided in the Accumulative Special Nursing Care provision hereof.

Accumulative Special Nursing Care: If, during any one contract year, the Member has not used the entire or any portion of the Special Nursing Care to which he is entitled under the preceding section, the Special Nursing Care to which he is entitled during the following contract year shall be increased by Eight (8) hours for each eight-hours of unused Special Nursing Care to which he was entitled during that preceding year.

Proof of Member's Right to Benefits: The Association shall have the right to all information reasonably necessary in investigating any claim of the Member to benefits hereunder, and proof of the Member's right to benefits shall be furnished by the Member. To facilitate the Member's claim to benefits, the Member hereby authorizes any physician or surgeon, hospital, nurse and/or other party from whom he has received services or care, either within or outside the provisions of this contract, to furnish to the Association or its duly authorized representative, at any time on request of the Association, any and all records or copies of records, x-ray films and findings, and any and all other information relating to the history, diagnosis, treatment, services and care of any condition for which the Member is claiming benefits. Failure or refusal by the Member or the attending doctor, hospital or other party to furnish the Association any information it shall require in the execution of this contract shall relieve the Association, at its option, of providing the benefits to which the Member otherwise would be entitled.

Member to Notify the Association: The Member, the attending doctor or some other person in the Member's behalf, shall notify the Association in writing prior to or within five days after the Member's admission to the hospital on account of any sickness or injury for which he is claiming benefits hereunder. Such notice shall contain the name and address of

the hospital and the attending doctor, and the nature, extent and seriousness of the sickness or injury for which the Member requires hospital care.

The Member shall, on request of the Association, submit to a physical examination by a physician or surgeon engaged by the Association for that purpose during any time the Member is receiving care for which he is claiming benefits or during the pendency of any claim hereunder and so often as reasonably may be required.

SEC. III. PROVISIONS AND CONDITIONS: The Association undertakes only to bear the expense of Ambulance, Hospital Care and Special Nursing as defined in this contract to the extent such care is available and is actually necessary for the care of the particular condition for which the Member requires hospital care, and the Association shall not assume costs of duplications or of excessive services or care. The benefits are at all times confined to the established care that is available in the particular hospital selected by the Member, and the Association does not at any time agree to make such care available to the Member. The Association shall not be liable for any acts or omissions on the part of any hospital, nurse or any other party beyond the payment of the benefits to which the Member is entitled under this contract.

The Association shall not be responsible for the payment of any bills contracted by the Member or by any other person other than as specifically provided for in this contract, but the Member, at his own expense, may engage hospital care and/or other services and care in addition or extraneous to that to which he is entitled hereunder.

The obligation of the Association is personal to and limited to the Member, and no other person shall have any right to benefits, and no person other than the Member or his legal representative shall have any right of suit or action under this contract. No suit or action shall be filed against the Association within ninety days after the Member's claim has been established. If the Member fails to file a claim with the Association within twelve months after a claim has accrued, all rights on account of such claim and all rights of suit or action on account thereof are hereby waived.

If the Association, through error or misinformation, has paid any account for the Member to which the Member was not entitled, or has reimbursed the Member for any such account, the Member shall refund to the Association any moneys the Association has thus paid. This contract cannot be altered, enlarged or modified in any manner except by the acts of duly authorized officers of the Association endorsed hereon.

The acceptance by the Association of any charge for services or care to which the Member is not eligible shall be voluntary on the part of the Association and shall not be considered as an acknowledgment by the Association of any liability under this contract.

Confidence Basis of Contract—Abuse of Rights and Fraudulent Use: This contract is based on the mutual confidence of the Member and the Association, and any abuse or misuse of the rights herein granted shall be cause for cancellation of the contract by the Association and shall deprive the Member of the rights and privileges to which he is otherwise entitled. In the event of any fraud or misrepresentation on the part of the Member in procuring this contract, the contract, at the option of the Association, shall be wholly void and the Member shall reimburse or compensate the Association for any moneys it has expended or loss it has sustained on account of such misrepresentation. The fraudulent use of this contract by any person to obtain benefits for anyone other than the Member shall subject that person to prosecution therefor.

Member to Assume Cost of General Hospital Care for First Two Days: While this contract provides that the Association shall bear the expense of Hospital Care for the Member, it is particularly intended to protect the Member against the *more expensive* services. Therefore, in order to make it possible for the Association to include in the contract special nursing and the more expensive facilities for x-rays, laboratory examinations, etc., at a minimum contract charge to the Member, it is understood that the Member will assume, without reimbursement from the Association, the cost of general hospital care for the first two days during any one hospitalization period; it being further understood that this regulation applies

only to *general hospital* care and not to x-rays, use of surgery, anesthetics and other special hospital facilities that are found necessary during the first two days the Member is confined to the hospital and to which he is otherwise entitled hereunder.

Benefits Intended as Payment for Hospital Care—Bills May be Rendered to the Association or to the Member: The intention of this contract is to provide Hospital Care for the Member, and it is mutually agreed that any remuneration to the Member shall apply in payment of such care. To this end bills for benefits to which the Member is entitled shall be rendered in the name of the hospital, nurse or ambulance company rendering the services, and may be rendered to the Association or to the Member. The Member hereby authorizes the Association to pay such bills direct to the hospital, nurse or ambulance company, or, upon proof satisfactory to the Association that such bills have been paid, the Association shall reimburse the Member but not in excess of payments provided for herein. Before making any such reimbursement the Member shall furnish the Association written statements from the hospital, nurse, and/or ambulance company acknowledging receipt of the payments for which the Member is claiming reimbursement from the Association.

All bills must be fully itemized giving complete diagnoses and dates and class of services rendered. Bills should be mailed to the Association as early as possible after the Member has been discharged or at the end of the period for which the Member is entitled to benefits; provided that where the Member is under and entitled to treatment over a prolonged period bills should be rendered to the Association at the end of each calendar month.

Ambulance Fees: The Association will pay for ambulance service the established minimum fees in use in the community in which the ambulance is engaged, but not in excess of Fifty Cents (50c) per mile outside of city limits. The Association shall assume the cost of ambulance transportation only where the Member's condition is of such a serious nature as to make ambulance necessary.

Hospital Rates and Fees: The Association will pay for General Hospital Care and Special Hospital Facilities as follows:

(a) For General Hospital Care, the established fees of the selected hospital, but not in excess of Six Dollars and Fifty Cents ($6.50) per day, which shall include private room, general nursing, routine laboratory, board, bed, ordinary medicines and dressings and all other facilities, care and supplies except the special facilities enumerated in Subdivision (b) hereof.

(b) For Special Hospital Facilities, including use of surgery, anesthetics, antitoxins and biological serums, x-rays, oxygen and radium, blood transfusions, basal metabolisms, special laboratory examinations, electrocardiograms, encephalograms, pyelograms and physical therapy, the Association will pay the established fees of the selected hospital, but not in excess of the fees established by the Association as maximum fees to be paid under this contract; provided that the Association shall not assume the cost of more than one encephalogram, two pyelograms, two electrocardiograms, two basal metabolisms or ten physical therapy treatments during any one hospitalization period.

Special Nursing Fees: The Association will pay for Special Nursing the customary fees as established by the Nurses' Association in the community in which the services are rendered, but not to exceed a rate of Five Dollars ($5.00) for eight-hour duty.

Member and Association to Cooperate—Member to Check Bills and Association to Promptly Pay Accounts: The Member and the Association shall cooperate in the execution of this contract to the end that the Member shall receive prompt and efficient care at reasonable costs to the Association, and the Member agrees to personally check all bills in the same manner and to the same extent as if this contract did not exist and he were personally to assume the charge without reimbursement from the Association, and the Association agrees to pay such accounts promptly and within thirty days after the Member's claim has been established.

Third Party Liability—Subrogation Right: If the Member is injured or becomes ill by the acts or omissions of another person for which that person or some other party is legally responsible, the Association shall be released from assuming the costs of the benefits to which the Member would otherwise be entitled; provided that if the party who is legally responsible

fails or refuses to assume the costs of care required by the Member on account of such sickness or injury, the Association shall assume the costs of any benefits to which the Member is otherwise entitled hereunder the same as if no third-party-responsibility existed, and in which event the Association shall be subrogated to all rights of the Member to the extent of any costs it has assumed or paid on the Member's account. If the Member makes settlement with or releases such third person or party or waives his right of action against such third person or party, in whole or in part, without the written consent of the Association, then and in that event all obligations of the Association to the Member on account of such sickness or injury are hereby cancelled and the Member shall reimburse the Association for any costs it has assumed or paid for the Member on account of the sickness or injury so sustained.

If the Member shall be entitled to hospital care or the costs thereof through another association or any other party to which he has paid or contributed a contract charge or premium, the Association shall assume the cost of services and care to which the Member is otherwise entitled hereunder only in the proportion that the benefits to which he is entitled hereunder bear to the benefits to which he is entitled from such other association or other party.

Occupational Injuries or Diseases—Change of Occupation: If the Member shall engage in any occupation coverable by Workmen's Compensation or Industrial Insurance Laws or Contracts and shall wish to extend the coverage of this contract to include conditions arising as a result of such occupation, he shall notify the Association and shall pay to the Association in advance such charge as the Association shall fix as the contract charge for such additional coverage. Such charge shall be based on the hazard of the occupation in which the Member is engaged and shall be in addition to the basic charge of this contract. Change of occupation shall be no bar to renewal of this contract unless the Member shall engage in an unlawful practice or occupation.

Terms of Contract Defined: (a) "The Association" means the National Hospital Association, a Corporation of the State of Oregon, U. S. A., with executive offices in the City of Portland, Oregon. (b) "Member" means the person for whose benefit this contract is made. (c) "General Nursing" means care by nurses regularly employed in the selected hospital and whose services are a part of the hospital care herein intended. (d) "Ordinary Medicines and Dressings" means those medicines and dressings that are prescribed by the attending doctor in the treatment of the Member while the Member is confined in the hospital, but does not include vitamines, proprietaries or specialties. (e) "Routine Laboratory" means such laboratory examinations as are done routinely in the usual procedure of standardized hospitals, including urinalyses, blood counts, Wassermanns, etc., as distinguished from special laboratory examinations in diagnosing a particular condition. (f) "Contract Year" means a period of time beginning on the date the contract becomes effective and terminating at midnight three hundred and sixty-five (365) days thereafter (Leap Year 366 days). (g) "Chronic Conditions" are those conditions of prolonged duration characterized by slowly progressing symptoms as differentiated from (h) "Acute Sicknesses" which means those sicknesses of recent origin coming speedily to a crisis. (i) "Benefits" means Hospital Care, Special Nursing and such related services and care as are herein enumerated.

If the Member shall default in the payment of any contract charge, this contract shall automatically terminate upon such default, and the Member thereafter shall not be entitled to any further benefits except such benefits to which he became entitled before such default. If the Member, prior to such default, has not applied for benefits on account of any sickness or injury alleged to have occurred during the period this contract was in effect, he shall lose all rights to benefits on account of such alleged sickness or injury and for the purposes of this contract such sickness or injury shall be deemed not to have occurred while the Member was under its coverage. Reinstatement of this contract shall be optional with the Association and subject to its rules and regulations.

The Term of this contract is One Year from the date it became effective, known as the Contract Year, and the contract shall renew automatically each year thereafter on payment of the contract charges provided for and at times stated. Non-payment of the contract charges

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at the times stated shall be deemed an election on the part of the Member not to renew this contract. If the Association shall elect not to renew this contract it shall give written notice to the Member thirty days prior to the end of the current contract year. Such termination shall not deprive the Member of any rights or benefits for which he applied and to which he became entitled prior to such termination.

The Contract Charges are_____per month, which shall be paid in advance. Payments may be made annually, semi-annually, quarterly or monthly, optional with the Member. Grace periods shall be granted as follows: Annual Payments, twenty days grace; Semi-Annual Payments, ten days grace; Quarterly Payments, five days grace. The contract charges shall not be raised because of advance in the Member's age if the Member is under the age of fifty-five years at the time of application herefor, but the Association shall have the right to modify the benefits of this contract to meet improved methods and practices in the treatment of sickness and injury and/or to adjust the contract charges to meet changing costs or other conditions beyond its control. Any such change shall not become effective prior to the first day of the succeeding contract year, and the Association shall give written notice of such change to the Member thirty days prior to the date such change becomes effective.

Credentials for Obtaining Benefits: The payments of the contract charges hereunder shall be evidenced by Certificates issued by the duly authorized representatives of the Association. Such certificates shall contain the Member's credentials for obtaining benefits to which he is entitled under the contract.

This contract becomes effective on the_____day of

_____, 19____.

IN WITNESS WHEREOF, the National Hospital Association of Portland, Oregon, has on this_____day of_____, 19____, caused this contract to be executed by its duly authorized officers.

Countersigned

G. L. Beckwith
Secretary

NATIONAL HOSPITAL ASSOCIATION,

O. S. Dabin
President

TO OUR MEMBER: This Contract is your security in sickness and in injury—read it carefully and familiarize yourself with its benefits. Feel that the National Hospital Association is your Association, treat it fairly, make your payments promptly and it will be your friend wherever you are.

Plaintiff's Exhibit 1818

MEDICAL AND HOSPITAL SECURITY

LIMITED CONTRACT

PERSONAL

NATIONAL

HOSPITAL ASSOCIATION

Established 1906

EXECUTIVE OFFICES: PORTLAND, ORE. U. S. A.

1818

SAMPLE

ISSUED FROM JULY 1-1941 to
MAY 15-1947 INCLUSIVE

NATIONAL
HOSPITAL ASSOCIATION
732 S. W. 3RD AVE. PORTLAND 4, OREGON

PROTECTS YOUR HEALTH YOUR HOME AND YOUR INCOME

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MEDICAL AND HOSPITAL SECURITY

LIMITED CONTRACT

FOREWORD: This Contract provides Medical and Surgical Services, Ambulance, Hospital Care, Special Nursing, and related services and care for the Member, of the class and to the extent herein defined, for both sickness and personal injuries wherever the Member may be, under the Medical and Hospital Security Plan of the National Hospital Association of Portland, Oregon.—LIMITED CONTRACT.

PERSONAL NO.

NATIONAL HOSPITAL ASSOCIATION

INCORPORATED UNDER THE LAWS OF OREGON

EXECUTIVE OFFICES · PORTLAND, OREGON · U. S. A.

World-Wide *Established 1906*

HEREIN CALLED THE ASSOCIATION, promises and agrees with SAMPLE, residing at _____, herein referred to as the Member, to bear the expense of Medical and Surgical Services, Ambulance, Hospital Care, Special Nursing and related services and care for the Member of the class and to the extent herein defined that are made necessary by sickness or personal injuries as hereinafter enumerated, subject to the Member's application herefor and to the provisions and conditions herein contained.

Street or Rural Address — City — State

The Causes for which the Member is entitled to benefits and the Benefits to which the Member is entitled are more particularly defined herein under the caption, "Coverage, Benefits, Provisions and Conditions Enumerated and Defined."

Member to Select Physician or Surgeon: The selection of physicians and surgeons shall be optional with the Member, and she shall have the right to engage the services of any regularly licensed physician or surgeon in the United States, Canada or other foreign country; provided that the Association may, in its discretion, engage a specialist and/or other physician or surgeon to associate with or act in consultation with the physician or surgeon selected by the Member.

Member to Select Hospital; The Member shall have the right to select any general hospital in the United States that meets the requirements of the American Hospital Association, or any general hospital in Canada or any other foreign country that maintains a recognized standard of laboratory and nursing efficiency.

COVERAGE, BENEFITS, PROVISIONS AND CONDITIONS ENUMERATED AND DEFINED

SEC. I. COVERAGE: This contract shall cover and the Association shall bear the expense of services and care for the Member of the class and to the extent herein defined for the following causes except as in this section otherwise provided—excluding all others:

(1) Personal Injuries occurring after the Member has been under the coverage of this contract for a period of seven days.

(2) Acute Sicknesses having their origin after the Member has been under the coverage of this contract for a period of fifteen days.

(3) Chronic Conditions that become active after the Member has been continuously under the coverage of this contract for a period of six months, except chronic conditions

that were active within the six months next preceding or that become active within the six months next following the date the Member came under this contract.

(4) Conditions Peculiar to the Member's Sex having their origin after the Member has been continuously under the coverage of this contract for a period of two years.

(5) Tuberculosis and Mental Disorders after the Member has been continuously under the coverage of this contract for a period of two years, provided that the Member has not had an active Tuberculosis or a Mental Disorder within the five-year period next prior to coming under the coverage of this contract or within the first two years of membership hereunder.

Conditions Not Covered: This contract does not cover Insanity, Drug Addiction, Alcoholism, Congenital Conditions, Senility, Venereal Diseases, Dental Extractions, Abortions or attempts thereto, Conditions existing at the time the Member came under the contract, except as provided in paragraph (3) of this section; Pregnancy, Menstrual Disorders or the Menopause or conditions arising therefrom; Tuberculosis and Mental Disorders if the Member is eligible to care in a governmental hospital, except that diagnoses will be provided; Diseases and Injuries received in the commission of a felony or while engaged in war, riot or insurrection nor Injuries or Diseases resulting from hazardous occupations coverable by Workmen's Compensation or Industrial Insurance laws or contracts except as provided in paragraph (6) of this section.

(6) Injuries or Diseases resulting from Hazardous Occupations—Change of Occupation: If the Member shall engage in an occupation defined as hazardous by the laws of the state in which the Member is employed, and the Member shall wish to extend the coverage of this contract to include conditions arising as a result of such occupation, she shall notify the Association and shall pay to the Association in advance such charge as the Association shall fix as the contract charge for such additional coverage. Such charge shall be based on the hazard of the occupation in which the Member is engaged and shall be in addition to the basic charge of this contract. Change of occupation shall be no bar to renewal of this contract unless the Member shall engage in an unlawful occupation.

Complications Considered as Part of Original Cause: Any complication of or any condition connected with or arising out of a sickness or injury with which the Member is or has been affected shall for the purposes of this contract be considered as a part of the original sickness or injury and not as a separate or distinct sickness or injury.

SEC. II. BENEFITS: The benefits to which the Member is entitled are hereinafter enumerated and defined, excluding all others:

(1) Medical and Surgical Services: The Association shall bear the expense of Medical and Surgical Services for the Member as herein defined, including:

(a) Treatment and Care in the doctor's offices, in the Member's home, in the hospital, or elsewhere as required.

(b) Services by Specialists when the nature of the Member's condition is such as to indicate the need of a specialist. Charges of general practitioners will not be assumed for work of a class clearly requiring services of a specialist, unless the doctor rendering the service has had special training in the particular class of work performed.

(c) Surgical Operations where the diagnosis shows surgery to be necessary, provided that operations for Chronic Conditions and operations for Sinuses and Antrums, Goitre, Hernia, Hemorrhoids, and Removal of Tonsils are not included hereunder until after the Member has been continuously under coverage for a period of one year, and provided further that operations for Removal of Tonsils are furnished only where the Member is over the age of eighteen years and Removal of Tonsils is found necessary in the treatment of a systemic illness to which disease of the tonsils is the contributing cause.

(d) Consultations before Operations—Member to notify the Association: One of the purposes of this contract is to protect the Member against dangers resulting from ill-advised and unnecessary operations. Therefore, the Member, before submitting to a surgical operation, shall notify the Association and shall furnish to the Association the name of the attending surgeon and the condition for which the operation is to be performed and, upon request by

the Association, the Member shall submit to consultation by a physician or specialist to be named by the Association and to such further examination as the consulting physician or specialist shall require; provided that where the Member's condition is so serious as to make an immediate operation necessary, notice and consultation prior to the operation are hereby waived, but in such an event the Member or some other person in the Member's behalf shall furnish the Association, at the time of the operation or within five days thereafter, with the name of the attending surgeon, the hospital in which the Member is confined, and the condition for which the operation was performed.

(2) X-rays and Laboratory Tests that are necessary to properly diagnose the condition with which the Member is affected, provided that the Association shall not bear the expense of unnecessary or excessive x-rays or laboratory tests, or of x-rays where the films are not diagnostic.

(3) Radium and X-ray Therapy by qualified radiologists in the treatment of cancer or other conditions for which radium and x-ray are recognized and accepted therapy, when recommended by the attending physician.

(4) Serums and Antitoxins—Quarantinable Diseases: Serums and antitoxins in the treatment of virulent diseases, such as pneumonia, diphtheria, typhoid fever, infantile paralysis, erysipelas, meningitis, tetanus and rabies; and in prevention where the Member has been definitely exposed to a virulent disease for which a serum or antitoxin is an accepted prophylaxis, but not in the prevention or treatment of a disease that is non-malignant. Except as provided for in this paragraph, benefits as applying to quarantinable diseases are limited to services of physicians.

(5) Orthopedic Appliances in the treatment of injuries or disease when prescribed by a recognized orthopedist.

(6) Ambulance where the Member's condition is such as to make ambulance facilities necessary, but not beyond the nearest community in which hospital facilities are available.

(7) Hospital Care, herein intended, means care in a ***general ward,*** and includes (a) General Nursing, (b) Board, (c) Use of Surgery and Surgical Facilities, (d) Anesthetic and Anesthetist, (e) Medicines and Dressings—not including vitamins, (f) Antitoxins and Biological Serums, (g) Laboratory Tests, (h) X-ray Examinations, (i) Radium, X-ray, and Oxygen Therapy, (j) Blood Transfusions, (k) Pathological Examinations, (l) Basal Metabolism Tests, (m) Electrocardiograms, (n) Encephalograms, (o) Pyelograms, (p) Physical Therapy, and (q) other care and facilities recognized as general hospital facilities with which the selected hospital is equipped. Hospital Care includes care in Private Sanitarium in case of a Mental Disorder or Tuberculosis of the lungs.

The Member shall be entitled to Hospital Care only where and during such time as she is necessarily a bed patient, including convalescence immediately following a bed-patient confinement and the attending doctor has directed that the Member be placed in the hospital in order to receive necessary and proper care. Hospital Care, as used herein, at no time means confining a Member to the hospital for rest cure or for diagnostic purposes only, or for any purpose other than where necessary in the treatment of a sickness or injury for which a Member is entitled to benefits hereunder.

(8) Special Nursing Care: The Association shall assume the cost of Special Nursing Care of the Member to the extent herein defined if the Member, while confined in a hospital as a beneficiary under this contract, is in so serious a condition as to make special nursing definitely necessary for her care; provided that the Member or someone in the Member's behalf shall notify the Association at the time such special services are engaged and shall furnish proof satisfactory to the Association that Special Nursing Care is necessary; provided further that the Association shall not be required to assume the cost of special nurses for a time longer than such care is definitely necessary, but the Member may continue such care at her own expense, notwithstanding.

The Association shall not be required to assume the charges for duplications or for x-rays, laboratory tests or other examinations that are not related to the particular condition for which the examination is required, nor shall the Association assume charges for routine examinations or physical "check-ups," or for more than one examination for the same cause or condition unless the Member has first obtained the consent of the Association for further examinations at the Association's expense.

Periods of Benefits

Period of Medical and Surgical Care: The Member shall be entitled to Medical and Surgical Services and related services as defined in paragraphs (2) to (5) inclusive of this section, covering a period of eight months for each sickness or injury resulting from a separate and distinct cause.

Periods of Hospital Care: The Member shall be entitled to 40 days Hospital Care for each separate sickness or injury arising during the first contract year. For each separate sickness or injury arising during any succeeding contract year, covering a period of 4 years, the number of days hospital care to which the Member shall be entitled shall be increased by 10 days over the number of days to which she was entitled for conditions arising within the then preceding contract year. Thereafter and so long as this contract remains in effect, without lapse or delinquency, the Member shall be entitled to 80 days Hospital Care for each separate sickness or injury arising within the then contract year.

Accumulative Hospital Care: If the total number of days' hospital care used by the Member during any contract year does not equal the number of days' hospital care to which the Member is entitled for one separate sickness or injury, the number of days' hospital care to which she is entitled during the following contract year shall be increased by one-half of the unused days' hospital care to which she was entitled for one sickness or injury arising during that preceding year.

Period of Special Nursing Care: The Member shall be entitled to care by Special Nurses as defined in paragraph (8) hereof, for a total of 96 hours during each contract year, except as provided in the Accumulative Special Nursing Care provision hereof.

Accumulative Special Nursing Care: If, during any contract year, the Member has not used the entire or any portion of the Special Nursing Care to which she is normally entitled under the preceding paragraph, the Special Nursing Care to which she is entitled during the following contract year shall be increased by eight hours for each eight hours of unused Special Nursing Care to which she was entitled during that preceding contract year.

Proof of Member's Rights to Benefits

Proof of Member's Rights to Benefits shall be furnished by the Member, and the Association shall have the right to all information reasonably necessary in investigating any claims of the Member to benefits hereunder. To that end the Member hereby authorizes any physician or surgeon, hospital, nurse, and/or other party from whom the Member has received services or care, either within or outside the provisions of this contract, to furnish the Association or its duly authorized representative such information as the Association shall require. Failure or refusal by the Member to comply with this regulation or any regulation contained in this contract shall relieve the Association, at its option, of providing the benefits to which the Member otherwise would be entitled.

Member to notify the Association in event of serious or prolonged sickness or injury: The Member, or some other person in the Member's behalf, shall notify the Association in writing within five days in the event of any serious sickness or injury or of any condition requiring special or prolonged treatment or care, and the Member or someone in her behalf shall likewise notify the Association prior to or within five days after the Member's admission to a hospital on account of any sickness or injury for which she is claiming benefits hereunder. Such notice shall contain the name and address of the attending doctor and the hospital, and the nature, extent and seriousness of the sickness or injury for which the Member requires treatment or care.

The Member shall, on request of the Association, submit to a physical examination by a physician or surgeon named by the Association for that purpose during any time the Member

is receiving treatment or care for which she is claiming benefits or during the pendency of any claim hereunder and so often as reasonably may be required, and the Member hereby consents to and authorizes such examinations.

Rates and Fees to be Paid for Benefits

The Association will pay fees for services and care received by the Member hereunder in accordance with the rates and fees established and in use under its Medical and Hospital Security ***Limited*** Contracts to which class this contract belongs, and which fees are enumerated and defined as follows:

(1) Medical and Surgical Fees: A schedule of the fees that the Association shall pay for Medical and Surgical Services and related services hereunder shall be furnished to the Member with this contract, and shall be subject to such changes as are found necessary to meet changing conditions.

(2) Ambulance Fees: The Association will pay for ambulance service the established fees in use in the community in which the ambulance is engaged, but not in excess of Fifty Cents (50c) per mile one way outside of city limits.

(3) Hospital Rates and Fees: The Association will pay for General Hospital Care and Special Hospital Facilities as follows:

(a) For General Hospital Care, the established rate of the selected hospital for care in a general ward, but not in excess of Three Dollars and Fifty Cents ($3.50) per day and which shall include general nursing, routine laboratory tests, ordinary medicines and dressings and other facilities, except the special facilities enumerated in subdivision (b) hereof. *If the Member shall wish to engage a semi-private or private room, the Association shall assume toward such additional cost the per diem rate provided for in this paragraph.*

(b) For Special Hospital Facilities, including use of surgery, anesthetics, antitoxins and biological serums, x-rays, oxygen and radium, blood transfusions, basal metabolisms, special laboratory examinations, electrocardiograms, encephalograms, pyelograms, and physical therapy, the Association will pay the established fees of the selected hospital, but not to exceed the fees established by the Association as maximum fees to be paid under this contract; provided that the Association shall not assume the cost of more than one encephalogram, two pyelograms, two electrocardiograms, two basal metabolisms or ten physical therapy treatments during any one hospitalization period.

(4) Special Nursing Fees: The Association will pay for Special Nursing the customary fees as established by the Nurses' Association in the community in which the services are rendered, but not to exceed a rate of Five Dollars ($5.00) for eight-hour duty.

SEC. III. PROVISIONS AND CONDITIONS: The coverage and benefits of this contract are at all times subject to the following provisions and conditions:

The Association undertakes only to bear the expense for the Member of services and care as enumerated and defined herein and that are available in the particular community in which the services are received, but the Member shall have the right of engaging services in any community of her own choosing and may call a physician or surgeon from an outside community, in which event the Association shall bear the expense of the attending physician or surgeon to the same extent as if services of a local physician or surgeon were engaged, but not including mileage or other transportation costs.

The Association shall not be responsible for the payment of any bills contracted by the Member or by any other person other than as specifically provided for in this contract, but the Member, at her own expense, may engage services and care in addition or extraneous to the services and care provided for herein. The Association shall not be liable for any acts or omissions on the part of any physician or surgeon, hospital, nurse or any other party beyond payment for the benefits to which the Member is entitled under this contract.

The obligations of the Association under this contract are personal to the Member and no other person shall have any claim, or any rights to benefits hereunder. If the Member shall fail to file a claim with the Association within twelve months after the claim has accrued all rights on account of such claim are hereby waived.

The acceptance by the Association of any charge for services or care to which the Member is not eligible shall be voluntary on the part of the Association and shall not be considered as an acknowledgment by the Association of any liability under this contract. This contract cannot be altered, enlarged or modified in any manner except by acts of the duly authorized officers of the Association endorsed hereon.

Confidence Basis of Contract—Abuse of Rights and Fraudulent Use: This contract is based on the mutual confidence of the Member and the Association, and any abuse or misuse on the part of the Member of the rights herein granted shall be cause for cancellation of the contract by the Association and shall deprive the Member of the rights and privileges to which she is otherwise entitled. In the event of any fraud or misrepresentation on the part of the Member in procuring this contract, the contract, at the option of the Association, shall be wholly void and the Member shall reimburse or compensate the Association for any moneys it has expended or loss it has sustained on account of such misrepresentation. The fraudulent use of this contract by any person to obtain benefits for anyone other than the Member shall subject that person to prosecution therefor.

Association not to Assume Charges for First Two Calls or Visits: To make it possible for the Association to maintain the standard of service and care intended by this contract at the rates charged, and to enable the Association to furnish the Member special service and care required when seriously sick or injured, it is understood that the first two doctor calls or visits in each separate sickness or injury are excluded herefrom and the Association shall not be required to bear the expense of such calls or visits. This provision shall apply only to that portion of the charges that relates to the doctor's ordinary services and not to any operation or other special service that is found necessary at the time of the first two calls or visits.

Benefits Intended as Payment for Medical and Surgical Attention and Hospital Care—Bills May Be Rendered to the Association or to the Member: The intention of this contract is to provide Medical and Surgical Attention and Hospital Care and Related Services for the Member, and it is mutually agreed that any remuneration hereunder shall apply in payment of such services and care. To this end bills for benefits to which the Member is entitled shall be made in the name of the attending doctor, hospital, nurse or other party rendering the service and may be rendered to the Association or to the Member. The Association shall have the option of paying such bills to the Member or to the doctor, hospital, nurse or other party; provided that, if payment shall have been made by the Member, the Association shall reimburse the Member.

All bills must be fully itemized and must give complete diagnoses and dates and class of services rendered. Bills should be mailed to the Association as early as possible after the Member has been discharged or at the end of the period for which the Member is entitled to benefits for the particular condition; provided that where a Member is under and entitled to treatment over a prolonged period bills should be rendered to the Association at the end of each calendar month. Where charges are less than the fees in use by the Association, the Association shall pay bills as rendered.

Charges for Excessive or Unnecessary Services Not to be Assumed: The Association shall not assume charges for daily dressings or daily calls or visits unless the Member's condition clearly indicates the need for daily care and the Association shall not assume charges for unnecessary or excessive x-rays, laboratory tests or other examinations, or for any other excessive or unnecessary services or care of the Member.

Member and Association to Cooperate—Member to check Bills and Association to Promptly Pay Accounts: The Member and the Association shall cooperate in the execution of this contract to the end that the Member shall receive prompt and efficient care at reasonable costs to the Association, and the Member agrees to personally check all bills in the same manner and to the same extent as if she were personally to assume the charge without reimbursement from the Association, and the Association agrees to pay such accounts promptly and within thirty days after the Member's claim has been established.

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Injuries or Illnesses Resulting from Negligence or Wrongful Acts of Other Parties—Subrogation Right: If a Member is injured or becomes ill through wrongful acts or negligence of another party for which that party or some other party or parties make settlement, or are legally responsible therefor, all obligations of the Association on account of such injury or illness shall be cancelled, and the Member shall reimburse the Association for any charges it may have paid or assumed for the Member's services or care. Until such reimbursement has been made, the Association shall have an equity in and be subrogated to any rights of the Member against any of the aforesaid parties growing out of the injury or illness so sustained to the extent of any charges it has paid or assumed on the Member's account. If any of the aforesaid parties shall fail or refuse to make settlement with the Member or her legal representative, or if the Member, having established such parties' responsibility so to do, shall be unable to make recovery therefor, then and in that event the benefits to which the Member is entitled under this contract shall apply to the same extent and in the same manner as if no third-party responsibility existed.

If a Member is entitled to medical and surgical services and/or hospital care or the costs thereof through another association, or any other party, the Association shall assume the cost of services and care to which the Member is otherwise entitled hereunder only in the proportion that the benefits to which she is entitled hereunder bear to the benefits to which she is entitled from such other association or other party.

Terms of Contract Defined: (a) *The Association* means the National Hospital Association, a Corporation of the State of Oregon, U.S.A., with executive offices in the City of Portland, Oregon. (b) *Member* means the person for whose benefit this contract is made. (c) *Physicians and Surgeons* means doctors trained in the science of medicine and surgery and duly licensed to practice medicine and surgery in their respective communities. *Specialists* means physicians or surgeons who have had special training in a particular branch of the science of medicine or surgery. (d) *Special Nurses* means those persons who have had special training in the science of nursing and are duly licensed to practice their profession in their respective communities. (e) *General Nursing* means care by nurses regularly employed in the selected hospital and whose services are a part of the general hospital care herein intended. (f) *Ordinary Medicines and Dressings* means those medicines and dressings routinely supplied in the treatment of a Member while he is confined in the hospital. (g) *Routine Laboratory Tests* means such laboratory examinations as are done routinely in the usual procedure of standardized hospitals, including urinalyses, blood counts, Wassermanns, etc., as distinguished from special laboratory examinations in diagnosing a particular condition. (h) *Contract Year* means a period of time beginning on the date the contract becomes effective and terminating at midnight 365 days thereafter (Leap Year 366 days). (i) *Chronic Conditions* are those conditions of prolonged duration or conditions characterized by slowly progressing symptoms as differentiated from (j) *Acute Sicknesses* which means those sicknesses of recent origin coming speedily to a crisis. (k) *Benefits* means Medical and Surgical Services, Ambulance, Hospital Care, Special Nursing and such related services as are herein enumerated.

If payment of the contract charge for the Member is in default, this contract shall automatically terminate with such default and the Member thereafter shall not be entitled to any of its benefits, except such benefits to which she became entitled prior to the default. If the Member in default alleges a sickness or injury to have occurred prior to such default, but failed to obtain medical or hospital care for such condition before such default, such sickness or injury, for the purposes of this contract, shall be deemed not to have occurred under its coverage and the Member shall not be entitled to any benefits therefor. Acceptance of payment by the Association for any period in which the Member was in default, shall reinstate the Member to all rights and benefits of the contract, except that the Member shall not be entitled to benefits for any condition that arose during any period in which she was in default.

The Association shall have the right to adjust the contract charges and the fees for benefits to be paid under this contract and/or to modify or enlarge the benefits of the contract to meet changing conditions or improved methods or practices in the treatment of sickness

and injury. No such adjustment or change shall become effective prior to the first day of the succeeding contract year, and the Association shall give written notice thereof to the Member 30 days prior to the date the adjustment or change becomes effective. The contract charge shall not be raised because of advancing age, if the Member is under the age of 55 years at the time of application herefor.

Term of Contract — Contract Charges

The Term of this Contract is One Year from the date it became effective, known as the Contract Year, and the contract shall renew automatically each year thereafter on payment of the Contract Charges and at the times stated; provided that either party shall have the right to terminate the contract at the end of any Contract Year by giving 30 days written notice to the opposite party in advance of the date such termination shall become effective. Non-payment of the Contract Charges by the Member at the times stated shall be deemed an election on the Member's part not to continue or to renew the contract. No such termination of the contract shall deprive the Member of any rights or benefits to which she became entitled and for which she applied prior to the termination.

The Contract Charges are _____ Dollars per month, which shall be paid in advance. Payments may be made annually, semi-annually, quarterly or monthly, at the option of the Member. Grace periods shall be granted as follows: Annual Payments, twenty days grace; Semi-Annual Payments, ten days grace; Quarterly Payments, five days grace; Monthly Payments, no grace period.

Credentials for Obtaining Benefits: The payments of the Contract Charges hereunder shall be evidenced by Certificates issued by the duly authorized representatives of the Association. Such Certificates shall contain credentials for benefits to which the Member is entitled under this contract.

This contract becomes effective on the _____ day of _____, 19____.

IN WITNESS WHEREOF, the National Hospital Association of Portland, Oregon, has on this _____ day of _____, 19____, caused this contract to be executed by its duly authorized officers.

Countersigned

NATIONAL HOSPITAL ASSOCIATION,

C. L. Beckel
Secretary

O. S. Dabin
President

TO OUR MEMBER: This Contract is your security in sickness and injury—read it carefully and familiarize yourself with its benefits. Always feel free to communicate with the Association on any matter that is not clear to you. Feel that the National Hospital Association is your Association, treat it fairly, make your payments promptly and it will remain your friend wherever you are.

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Plaintiff's Exhibit 1819

MEDICAL AND HOSPITAL SECURITY

LIMITED CONTRACT

PERSONAL

NATIONAL

HOSPITAL ASSOCIATION

Established 1906

EXECUTIVE OFFICES: PORTLAND, ORE. U. S. A.

Plaintiff's Exhibit 1819

SAMPLE

ISSUED FROM JULY 1-1941 to
MAY 15-1947 INCLUSIVE

NATIONAL
HOSPITAL ASSOCIATION
732 S. W. 3RD AVE. PORTLAND 4, OREGON

PROTECTS YOUR HEALTH YOUR HOME AND YOUR INCOME

8310

MEDICAL AND HOSPITAL SECURITY

LIMITED CONTRACT

FOREWORD: This Contract provides Medical and Surgical Services, Ambulance, Hospital Care, Special Nursing, and related services and care for the Member, of the class and to the extent herein defined, for both sickness and personal injuries wherever the Member may be, under the Medical and Hospital Security Plan of the National Hospital Association of Portland, Oregon.—LIMITED CONTRACT.

PERSONAL NO.

NATIONAL HOSPITAL ASSOCIATION

INCORPORATED UNDER THE LAWS OF OREGON

EXECUTIVE OFFICES • PORTLAND, OREGON • U. S. A.

World-Wide — *Established 1906*

HEREIN CALLED THE ASSOCIATION, promises and agrees with SAMPLE, residing at _____,
Street or Rural Address City State

herein referred to as the Member, to bear the expense of Medical and Surgical Services, Ambulance, Hospital Care, Special Nursing and related services and care for the Member of the class and to the extent herein defined that are made necessary by sickness or personal injuries as hereinafter enumerated, subject to the Member's application herefor and to the provisions and conditions herein contained.

The Causes for which the Member is entitled to benefits and the Benefits to which the Member is entitled are more particularly defined herein under the caption, "Coverage, Benefits, Provisions and Conditions Enumerated and Defined."

Member to Select Physician or Surgeon: The selection of physicians and surgeons shall be optional with the Member, and he shall have the right to engage the services of any regularly licensed physician or surgeon in the United States, Canada or other foreign country; provided that the Association may, in its discretion, engage a specialist and/or other physician or surgeon to associate with or act in consultation with the physician or surgeon selected by the Member.

Member to Select Hospital: The Member shall have the right to select any general hospital in the United States that meets the requirements of the American Hospital Association, or any general hospital in Canada or any other foreign country that maintains a recognized standard of laboratory and nursing efficiency.

COVERAGE, BENEFITS, PROVISIONS AND CONDITIONS ENUMERATED AND DEFINED

SEC. I. COVERAGE: This contract shall cover and the Association shall bear the expense of services and care for the Member of the class and to the extent herein defined for the following causes except as in this section otherwise provided—excluding all others:

(1) Personal Injuries occurring after the Member has been under the coverage of this contract for a period of seven days.

(2) Acute Sicknesses having their origin after the Member has been under the coverage of this contract for a period of fifteen days.

(3) Chronic Conditions that become active after the Member has been continuously under the coverage of this contract for a period of six months, except chronic conditions

that were active within the six months next preceding or that become active within the six months next following the date the Member came under this contract.

(4) Conditions Peculiar to the Member's Sex having their origin after the Member has been continuously under the coverage of this contract for a period of two years.

(5) Tuberculosis and Mental Disorders after the Member has been continuously under the coverage of this contract for a period of two years, provided that the Member has not had an active Tuberculosis or a Mental Disorder within the five-year period next prior to coming under the coverage of this contract or within the first two years of membership hereunder.

Conditions Not Covered: This contract does not cover Insanity, Drug Addiction, Alcoholism, Congenital Conditions, Senility, Venereal Diseases, Dental Extractions, Conditions existing at the time the Member came under the contract, except as provided in paragraph (3) of this section; Tuberculosis and Mental Disorders if the Member is eligible to care in a governmental hospital, except that diagnoses will be provided; Diseases and Injuries received in the commission of a felony or while engaged in war, riot or insurrection nor Injuries or Diseases resulting from hazardous occupations coverable by Workmen's Compensation or Industrial Insurance laws or contracts except as provided in paragraph (6) of this section.

(6) Injuries or Diseases resulting from Hazardous Occupations—Change of Occupation: If the Member shall engage in an occupation defined as hazardous by the laws of the state in which the Member is employed, and the Member shall wish to extend the coverage of this contract to include conditions arising as a result of such occupation, he shall notify the Association and shall pay to the Association in advance such charge as the Association shall fix as the contract charge for such additional coverage. Such charge shall be based on the hazard of the occupation in which the Member is engaged and shall be in addition to the basic charge of this contract. Change of occupation shall be no bar to renewal of this contract unless the Member shall engage in an unlawful occupation.

Complications Considered as Part of Original Cause: Any complication of or any condition connected with or arising out of a sickness or injury with which the Member is or has been affected shall for the purposes of this contract be considered as a part of the original sickness or injury and not as a separate or distinct sickness or injury.

SEC. II. BENEFITS: The benefits to which the Member is entitled are hereinafter enumerated and defined, excluding all others:

(1) Medical and Surgical Services: The Association shall bear the expense of Medical and Surgical Services for the Member as herein defined, including:

(a) Treatment and Care in the doctor's offices, in the Member's home, in the hospital, or elsewhere as required.

(b) Services by Specialists when the nature of the Member's condition is such as to indicate the need of a specialist. Charges of general practitioners will not be assumed for work of a class clearly requiring services of a specialist, unless the doctor rendering the service has had special training in the particular class of work performed.

(c) Surgical Operations where the diagnosis shows surgery to be necessary, provided that operations for Chronic Conditions and operations for Sinuses and Antrums, Goitre, Hernia, Hemorrhoids, and Removal of Tonsils are not included hereunder until after the Member has been continuously under coverage for a period of one year, and provided further that operations for Removal of Tonsils are furnished only where the Member is over the age of eighteen years and Removal of Tonsils is found necessary in the treatment of a systemic illness to which disease of the tonsils is the contributing cause.

(d) Consultations before Operations—Member to notify the Association: One of the purposes of this contract is to protect the Member against dangers resulting from ill-advised and unnecessary operations. Therefore, the Member, before submitting to a surgical operation, shall notify the Association and shall furnish to the Association the name of the attending surgeon and the condition for which the operation is to be performed and, upon request by

the Association, the Member shall submit to consultation by a physician or specialist to be named by the Association and to such further examination as the consulting physician or specialist shall require; provided that where the Member's condition is so serious as to make an immediate operation necessary, notice and consultation prior to the operation are hereby waived, but in such an event the Member or some other person in the Member's behalf shall furnish the Association, at the time of the operation or within five days thereafter, with the name of the attending surgeon, the hospital in which the Member is confined, and the condition for which the operation was performed.

(2) X-rays and Laboratory Tests that are necessary to properly diagnose the condition with which the Member is affected, provided that the Association shall not bear the expense of unnecessary or excessive x-rays or laboratory tests, or of x-rays where the films are not diagnostic.

(3) Radium and X-ray Therapy by qualified radiologists in the treatment of cancer or other conditions for which radium and x-ray are recognized and accepted therapy, when recommended by the attending physician.

(4) Serums and Antitoxins—Quarantinable Diseases: Serums and antitoxins in the treatment of virulent diseases, such as pneumonia, diphtheria, typhoid fever, infantile paralysis, erysipelas, meningitis, tetanus and rabies; and in prevention where the Member has been definitely exposed to a virulent disease for which a serum or antitoxin is an accepted prophylaxis, but not in the prevention or treatment of a disease that is non-malignant. Except as provided for in this paragraph, benefits as applying to quarantinable diseases are limited to services of physicians.

(5) Orthopedic Appliances in the treatment of injuries or disease when prescribed by a recognized orthopedist.

(6) Ambulance where the Member's condition is such as to make ambulance facilities necessary, but not beyond the nearest community in which hospital facilities are available.

(7) Hospital Care, herein intended, means care in a *general ward*, and includes (a) General Nursing, (b) Board, (c) Use of Surgery and Surgical Facilities, (d) Anesthetic and Anesthetist, (e) Medicines and Dressings—not including vitamins, (f) Antitoxins and Biological Serums, (g) Laboratory Tests, (h) X-ray Examinations, (i) Radium, X-ray, and Oxygen Therapy, (j) Blood Transfusions, (k) Pathological Examinations, (l) Basal Metabolism Tests, (m) Electrocardiograms, (n) Encephalograms, (o) Pyelograms, (p) Physical Therapy, and (q) other care and facilities recognized as general hospital facilities with which the selected hospital is equipped. Hospital Care includes care in Private Sanitarium in case of a Mental Disorder or Tuberculosis of the lungs.

The Member shall be entitled to Hospital Care only where and during such time as he is necessarily a bed patient, including convalescence immediately following a bed-patient confinement and the attending doctor has directed that the Member be placed in the hospital in order to receive necessary and proper care. Hospital Care, as used herein, at no time means confining a Member to the hospital for rest cure or for diagnostic purposes only, or for any purpose other than where necessary in the treatment of a sickness or injury for which a Member is entitled to benefits hereunder.

(8) Special Nursing Care: The Association shall assume the cost of Special Nursing Care of the Member to the extent herein defined if the Member, while confined in a hospital as a beneficiary under this contract, is in so serious a condition as to make special nursing definitely necessary for his care; provided that the Member or someone in the Member's behalf shall notify the Association at the time such special services are engaged and shall furnish proof satisfactory to the Association that Special Nursing Care is necessary; provided further that the Association shall not be required to assume the cost of special nurses for a time longer than such care is definitely necessary, but the Member may continue such care at his own expense, notwithstanding.

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The Association shall not be required to assume the charges for duplications or for x-rays, laboratory tests or other examinations that are not related to the particular condition for which the examination is required, nor shall the Association assume charges for routine examinations or physical "check-ups," or for more than one examination for the same cause or condition unless the Member has first obtained the consent of the Association for further examinations at the Association's expense.

Periods of Benefits

Period of Medical and Surgical Care: The Member shall be entitled to Medical and Surgical Services and related services as defined in paragraphs (2) to (5) inclusive of this section, covering a period of eight months for each sickness or injury resulting from a separate and distinct cause.

Periods of Hospital Care: The Member shall be entitled to 40 days Hospital Care for each separate sickness or injury arising during the first contract year. For each separate sickness or injury arising during any succeeding contract year, covering a period of 4 years, the number of days hospital care to which the Member shall be entitled shall be increased by 10 days over the number of days to which he was entitled for conditions arising within the then preceding contract year. Thereafter and so long as this contract remains in effect, without lapse or delinquency, the Member shall be entitled to 80 days Hospital Care for each separate sickness or injury arising within the then contract year.

Accumulative Hospital Care: If the total number of days' hospital care used by the Member during any contract year does not equal the number of days' hospital care to which the Member is entitled for one separate sickness or injury, the number of days' hospital care to which he is entitled during the following contract year shall be increased by one-half of the unused days' hospital care to which he was entitled for one sickness or injury arising during that preceding year.

Period of Special Nursing Care: The Member shall be entitled to care by Special Nurses as defined in paragraph (8) hereof, for a total of 96 hours during each contract year, except as provided in the Accumulative Special Nursing Care provision hereof.

Accumulative Special Nursing Care: If, during any contract year, the Member has not used the entire or any portion of the Special Nursing Care to which he is normally entitled under the preceding paragraph, the Special Nursing Care to which he is entitled during the following contract year shall be increased by eight hours for each eight hours of unused Special Nursing Care to which he was entitled during that preceding contract year.

Proof of Member's Rights to Benefits

Proof of Member's Rights to Benefits shall be furnished by the Member, and the Association shall have the right to all information reasonably necessary in investigating any claims of the Member to benefits hereunder. To that end the Member hereby authorizes any physician or surgeon, hospital, nurse, and/or other party from whom the Member has received services or care, either within or outside the provisions of this contract, to furnish the Association or its duly authorized representative such information as the Association shall require. Failure or refusal by the Member to comply with this regulation or any regulation contained in this contract shall relieve the Association, at its option, of providing the benefits to which the Member otherwise would be entitled.

Member to notify the Association in event of serious or prolonged sickness or injury: The Member, or some other person in the Member's behalf, shall notify the Association in writing within five days in the event of any serious sickness or injury or of any condition requiring special or prolonged treatment or care, and the Member or someone in his behalf shall likewise notify the Association prior to or within five days after the Member's admission to a hospital on account of any sickness or injury for which he is claiming benefits hereunder. Such notice shall contain the name and address of the attending doctor and the hospital, and the nature, extent and seriousness of the sickness or injury for which the Member requires treatment or care.

The Member shall, on request of the Association, submit to a physical examination by a physician or surgeon named by the Association for that purpose during any time the Member

is receiving treatment or care for which he is claiming benefits or during the pendency of any claim hereunder and so often as reasonably may be required, and the Member hereby consents to and authorizes such examinations.

Rates and Fees to be Paid for Benefits

The Association will pay fees for services and care received by the Member hereunder in accordance with the rates and fees established and in use under its Medical and Hospital Security ***Limited*** Contracts to which class this contract belongs, and which fees are enumerated and defined as follows:

(1) Medical and Surgical Fees: A schedule of the fees that the Association shall pay for Medical and Surgical Services and related services hereunder shall be furnished to the Member with this contract, and shall be subject to such changes as are found necessary to meet changing conditions.

(2) Ambulance Fees: The Association will pay for ambulance service the established fees in use in the community in which the ambulance is engaged, but not in excess of Fifty Cents (50c) per mile one way outside of city limits.

(3) Hospital Rates and Fees: The Association will pay for General Hospital Care and Special Hospital Facilities as follows:

(a) For General Hospital Care, the established rate of the selected hospital for care in a general ward, but not in excess of Three Dollars and Fifty Cents ($3.50) per day and which shall include general nursing, routine laboratory tests, ordinary medicines and dressings and other facilities, except the special facilities enumerated in subdivision (b) hereof. *If the Member shall wish to engage a semi-private or private room, the Association shall assume toward such additional cost the per diem rate provided for in this paragraph.*

(b) For Special Hospital Facilities, including use of surgery, anesthetics, antitoxins and biological serums, x-rays, oxygen and radium, blood transfusions, basal metabolisms, special laboratory examinations, electrocardiograms, encephalograms, pyelograms, and physical therapy, the Association will pay the established fees of the selected hospital, but not to exceed the fees established by the Association as maximum fees to be paid under this contract; provided that the Association shall not assume the cost of more than one encephalogram, two pyelograms, two electrocardiograms, two basal metabolisms or ten physical therapy treatments during any one hospitalization period.

(4) Special Nursing Fees: The Association will pay for Special Nursing the customary fees as established by the Nurses' Association in the community in which the services are rendered, but not to exceed a rate of Five Dollars ($5.00) for eight-hour duty.

SEC. III. PROVISIONS AND CONDITIONS: The coverage and benefits of this contract are at all times subject to the following provisions and conditions:

The Association undertakes only to bear the expense for the Member of services and care as enumerated and defined herein and that are available in the particular community in which the services are received, but the Member shall have the right of engaging services in any community of his own choosing and may call a physician or surgeon from an outside community, in which event the Association shall bear the expense of the attending physician or surgeon to the same extent as if services of a local physician or surgeon were engaged, but not including mileage or other transportation costs.

The Association shall not be responsible for the payment of any bills contracted by the Member or by any other person other than as specifically provided for in this contract, but the Member, at his own expense, may engage services and care in addition or extraneous to the services and care provided for herein. The Association shall not be liable for any acts or omissions on the part of any physician or surgeon, hospital, nurse or any other party beyond payment for the benefits to which the Member is entitled under this contract.

The obligations of the Association under this contract are personal to the Member and no other person shall have any claim, or any rights to benefits hereunder. If the Member shall fail to file a claim with the Association within twelve months after the claim has accrued all rights on account of such claim are hereby waived.